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SCIENCES OF UKRAINE**

FACULTY OF AGRARIAN MANAGEMENT

**PRODUCTION AND INVESTMENT MANAGEMENT
DEPARTMENT**

CRISIS MANAGEMENT

for the students of the specialty 073 “Management”

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Reviewers:

M.O. Kravchenko, doctor of economic sciences, professor, Dean of the Management and Marketing Faculty, National Technical University of Ukraine “Ihor Sikorsky Kyiv Polytechnic Institute”

T.V. Kniazeva, doctor of economic sciences, professor, head of the Department of Marketing, National Aviation University

V.V. Lutsiak, doctor of economic sciences, professor, head of the Department of Administrative management and foreign economic activity, NULES of Ukraine

N.S. Kharchuk, senior lecturer, Department of English Philology NULES of Ukraine

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The study guide was developed for the studying of the discipline “Crisis management”. The manual contains theoretical material, practical tasks, questions for self-control, tests with answers, tasks for individual work, a sample of anti-crisis plan of an agrarian enterprise in the Appendix, recommended literature for consolidating the received material.

Intended for bachelor and master students, postgraduates, teachers of NULES of Ukraine and all interested persons studying project activity and management. Educational edition for students of specialty 073 “Management” educational level “Bachelor”.

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Dielini M.M.
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INFORMATION ABOUT AUTHORS



Shynkaruk Lidiia V.

Doctor of Economics, Professor, Corresponding Member of the National Academy of Sciences of Ukraine, Professor of the Production and Investment Management Department of National University of Life and Environmental Sciences of Ukraine.

Conducts disciplines: “Operational management”, “Investment management” etc.

Scientific interests: economic growth and structural changes in the economy, macroeconomic modeling, models of total and partial equilibrium, interior sectoral balance, macroeconomic predicting, investment climate, structural policy, foreign economic activities, analysis of integral connections, strategic planning, international projects management.

The author has more than 200 scientific works, where are 39 monographs, 8 scientific works in SCOPUS and Web of Science reference databases, 7 textbooks, 3 author's certificates, etc.

E-mail: lidia_shyn@ukr.net



Alekseieva Kateryna A.

Phd in Public Administration, Associate Professor of the Production and Investment Management Department of the National University of Life and Environmental Sciences of Ukraine.

Teaches disciplines: “Operational Management”, “Crisis Management”, “Content Management”, “Project Management”, “Investment Analysis”, “Project Analysis”, “Controlling”, “Investment”, “Management of Innovation and Investment Activity”, “Fundamentals of Business Projecting”.

Scientific interests: public administration, state regulation of the economy, in particular crisis management, prevention of the emergence and growth of economic and social crises.

The author has 70 scientific works, including 1 monograph, 7 scientific works in the abstract databases SCOPUS and Web of Science, and 4 textbook.

E-mail: katerinaalex@ukr.net



Dielini Maryna M.

Doctor of Economics, Professor, Acting Head of the Production and Investment Management Department of the National University of Life and Environmental Sciences of Ukraine.

Conducts disciplines: “Investment management”, the Business game “Project capital management”, etc.

Scientific interests: social protection of the population, social and economic responsibility of entrepreneurship, social investments, EU economy, environmental management, sustainable

development.

She has more than 100 scientific works, including 7 monographs, 11 scientific works in SCOPUS and Web of Science reference databases, 2 training manuals, etc.

E-mail: maryna_dielini@nubip.edu.ua

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I. INTRODUCTION

The current conditions of Ukraine's development are complicated. The Russian large-scale cruel invasion into the territory of Ukraine, military actions and occupation of the territories in the South and East have caused a large amount of economic, social and other problems. The war in Ukraine has become the main reason for the crisis processes in the European countries where the energy issues have become a real challenge. The whole world has been also put on the edge of the food security crisis because of the strategic role of the Ukrainian agriculture in providing the poorest countries of the world with food. In such conditions the ability to manage crisis has become one of the most important managerial skills at all levels of economy.

As for Ukraine, despite all the losses and damage as a result of war actions the country is confidently integrating into Europe in current conditions. The democratization processes are accelerating, social and economic life is active again. On the other hand, the imparity in structural and regional development has become deeper, i.e. the West of Ukraine and its central part

have managed to keep its potential in conditions of the war whereas the East and the South have already suffered too much damage during the aggression and are still partly occupied. Ukraine is also going to face the human development crisis. Due to the military aggression at its territory millions of the Ukrainians, mainly women with children have left the country for other countries and large amount of them will never come back. The population of Ukraine has shortened enormously and the losses of labor resources and intellectual potential are huge.

The discipline “Crisis management” is taught in all developed countries of the world, as it provides understanding of the ways of managing crises at both macro and micro level of economy. In Ukraine, this discipline has been integrated into the process of preparation of managerial staff. Various aspects of crisis management have been the subject of economics, legal science, political science, science of management for a long time. Today, the use of crisis management methodology in the process of management determines the applied managerial character of the discipline, corresponding to the current realities. Possessing of the “Crisis management” course by the students studying management is undoubtedly necessary in current

conditions in Ukraine when the processes are often difficult to predict and the level of uncertainty is greater than ever.

This manual contains in a concise form the main topics of the “Crisis management” course that are relevant today. In addition, the manual presents practical tasks, individual tasks, tests and glossary. There is important additional information put into the appendices.

This study guide was developed by a team of authors according to their qualification and sphere of scientific interests, namely: Shynkaruk L.V. – introduction, topic 1, topic 4, Alekseieva K.A. – topic 2, 3, 5, 7, Dielini M.M. – topic 6. All other parts of the manual are joint work of the authors.

II. INTRODUCTION TO THE COURSE “CRISIS MANAGEMENT”

The *purpose of the discipline* is to determine the nature, place, role, main types of crisis phenomena and stages of crisis of the enterprise, to reveal methodological approaches to developing “rules of effective behavior in crisis”, as well as to analyze some ways to prevent and overcome crises in foreign and domestic organizations. that function successfully in different conditions.

The task of studying the discipline is theoretical and practical training of students to understand the nature, methodology and techniques of crisis management in terms of recognizing crisis phenomena (symptoms, cause, nature, level and time of impact); forecasting the consequences of the development of crisis phenomena and their impact on the results of the enterprise; identifying ways to prevent and / or mitigate the crisis; ensuring the functioning of the enterprise in crises (especially local, as well as systemic, strategic), stabilization of individual subsystems of the enterprise to overcome (mitigate) the manifestations of the systemic crisis of the enterprise as a whole to create opportunities for its further development or (if anti-crisis measures did not work) - liquidation (in different ways); liquidation of the consequences of the crisis and / or liquidation of the enterprise (in particular, under the bankruptcy procedure); development of the enterprise on a new basis, if the crisis has been overcome.

As a result of studying the discipline students should

Know: the causes of crises in the economy and in the management system; economic mechanism of crisis in the enterprise; methods of diagnosing crisis situations at the enterprise; the main signs of readiness of the enterprise, its managers and personnel to prevent, overcome or minimize the consequences of crisis phenomena; development of strategies and approaches to enterprise development taking into account potential crisis phenomena; modern methods and tools of crisis management;

Be able to: conduct rapid diagnostics of the enterprise in order to identify potential (latent) crisis situations and phenomena; to make the forecast of prospects of occurrence and development of crisis situations on the basis of the express analysis; to determine the main directions of prevention, overcoming and minimizing the consequences of crisis phenomena at the enterprise.

Acquisition of competencies:

General competencies (GC):

3K 5. Knowledge and understanding of the subject area and understanding of professional activity.

Professional (special) competencies (PC):

CK 2. Ability to analyze the results of the organization, compare them to the factors of external and internal environment.

CK 3. The ability to determine the prospects for the development of the organization.

CK 4. Ability to identify functional areas of the organization and connections among them.

CK 7. Ability to choose and use modern management tools

CK 10. Ability to evaluate the work performed, provide them quality and motivate the staff of the organization

THEORETICAL MATERIAL

Topic 1. THEORETICAL BASIS OF CRISIS MANAGEMENT

- 1. The concept of crisis*
- 2. Typology of crises*
- 3. Substantiation of the need for anti-crisis management
in modern conditions*
- 4. The concept of state regulation of crises as a function of
state management*

Key words:

**crisis, typology of crises, anti-crises management,
crises management, state regulatuion of crises,
risk, uncertainty**

1. The concept of crisis

In modern scientific literature, there is an ongoing controversy regarding the definition of the essence and nature of crises in the

development of the socio-economic system. In the past, there were even such theoretical concepts that substantiated the impossibility of crises, and the existing problems of ensuring stable development were explained only by "difficulties of growth." The state, interfering in the economy of this or that enterprise, did not and could not allow bankruptcy (there was no such concept). However, the practice of social and economic development in all periods of history shows that crises cannot be avoided yet, this determines the importance and relevance of timely recognition of crises, understanding their essence and identifying symptoms.

Market mechanisms of the functioning of the economy of any state are cyclical, that is, consistently experiencing periods of rise and fall. The economic results of each firm's activity are shaped by the influence of these macroscopes, and also depend on the effect of many internal causes. That is why most firms undergo different stages of development, including, in particular, crises that are objective reality. For some of them it has certain positive effects: the firm, overcoming the crisis, refuses from the outdated elements of its system, starting to develop on a new basis. However, often the crisis leads to bankruptcy, self-liquidation, and the like.

Some believe that the crisis only applies to the processes of macroeconomic development, and in the scale of the firm or enterprise, for example, there are only more or less acute problems caused by mistakes or unprofessional management. These problems do not seem

to indicate a crisis of development, they are not caused by objective tendencies, although due to some external factors.

NB!

**Crises are caused not only by objective tendencies,
but due to some external factors!**

Such representations are one-sided and can have negative consequences in management of the organization. If from these positions to consider in-firm management, then when developing, for example, the strategy of its development there is no need to predict and consider the possibility of a crisis. How real will there be the strategy, if in reality the crisis is natural?

The concept of “crisis” is closely connected to the notion of “risk”, which in one way or another influences the methodology of developing any management decision. Exclude from it the expectations of the crisis, and the sharpness of perception of risk will disappear, will become unexpected and from this even more severe not only crisis situations, but also quite common mistakes.

You can look at the crisis problem in another perspective.

The social and economic system, or any a social formation - firm or enterprise - has two tendencies of its existence: functioning and development.

Functioning is the maintenance of life, the preservation of functions that determine its integrity, qualitative certainty, essential characteristics.

Development is the acquisition of a new quality that enhances livelihoods in a changing environment.

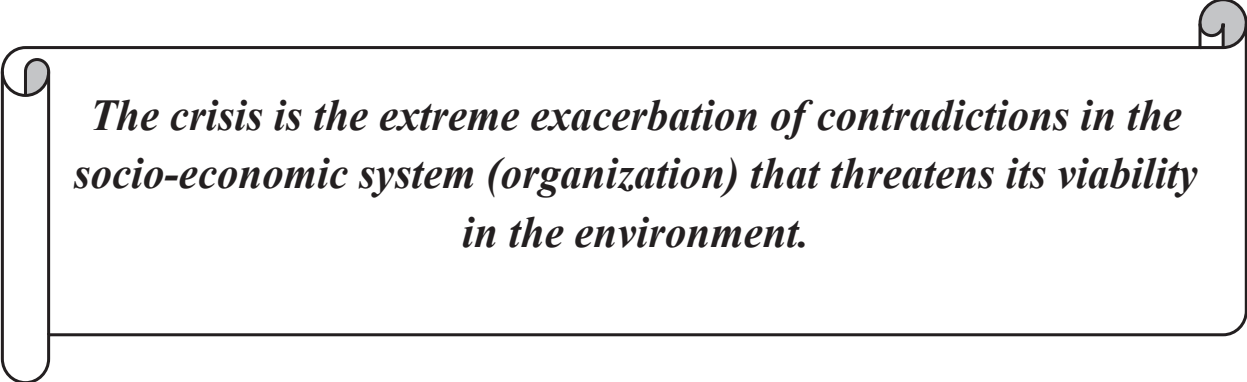
Functioning and development are intimately interconnected, reflect the dialectical unity of the main tendencies of the socio-economic system. This connection can be seen in its characteristics and indicators. For example, the functioning of the socio-economic system characterizes the mandatory presence of the subject of labor, means of work and the person carrying out work. In this case, the functioning of the socio-economic system is possible only with a certain conformity of these features: the means of labor can change its subject, the person must have means of work, the result must meet the interests and needs of man.

All these conditions also influence the production processes: development characterizes changes in the subject, means of labor and in work force. The criterion for these changes is the emergence of a new quality that strengthens the stability and harmony of the functioning of the socio-economic system or creates fundamentally new conditions for this. The fact of development is the increase in labor productivity, the change in its nature, the emergence of new technology, increased motivation activities. At the same time, of course, the conditions of the functioning of the socio-economic system also change.

The connection of functioning and development has a dialectical nature, which reflects the possibility and regularity of offensive and crisis resolution. Functioning constrains development and at the same time is its nutrient medium, development destroys many processes of functioning, but creates conditions for its more stable implementation.

Thus, there is a cyclical tendency of development, which reflects the periodic occurrence of crises. Crises are not necessarily devastating, they can proceed with a certain degree of acuteness, but their offensiveness is caused not only by subjective but also by objective reasons, by the very nature of the socio-economic system.

Crises reflect not only the contradictions of functioning and development, but may also arise in the very processes of functioning. This may be, for example, the contradiction between the level of equipment and the qualifications of the personnel, between the technologies and the conditions of its use (premises, climatic environment, technological culture, etc.)



The crisis is the extreme exacerbation of contradictions in the socio-economic system (organization) that threatens its viability in the environment.

The crisis disrupts the stability of the system, while radically renewing it. Stable state and crisis act as constant antagonisms in the

development of any system, while the cleansing power of crisis is needed by the system no less than stable existence. These two sides (crisis and stability) cannot exist without each other, it is a kind of law of unity and struggle of opposites (because without struggle there is no development).

Therefore, a crisis (with a broad view of it) is just as necessary for a developing system as a stable state. The crisis should be considered as a turning point in the development of the system, which gives space for a new round of economic changes.

The causes of the crisis may be different. They are divided into objective, connected to the cyclical needs of modernization and restructuring, and subjective, reflecting mistakes and voluntarism in management, as well as natural, characterizing the phenomena of climate, earthquake, etc.

The causes of the crisis can be external and internal. The first ones are related to trends and macroeconomic development strategy or even the global economy, competition, the political situation in the country, the second are connected to risky marketing strategy, internal conflicts, shortcomings in the organization of production, imperfect management, innovation and investment policies.

If we understand the crisis in this way, we can state the fact that the danger of a crisis always exists and it must be foreseen and predicted.

In the understanding of the crisis, not only its causes, but also the various consequences are of great significance: possible restoration of the organization or its destruction, improvement or emergence of a new crisis. Crisis is not always associated with positive effects. It is impossible to exclude the transition to a new crisis, perhaps even more profound and prolonged. Crises can occur as a chain reaction. There is a possibility and preservation of crisis situations for quite a long time. This can be explained by certain political reasons. In general, the effects of the crisis are closely related to two factors: its causes and the ability to manage crisis development processes.

The various consequences of the crisis are determined not only by its nature, but also by the *crisis management*, which can either mitigate the crisis or exacerbate it. Opportunities in this regard depend on the purpose, professionalism, management art, the nature of motivation, understanding of the causes and consequences, responsibility

The company's crisis is a complex phenomenon that has its own characteristics and stages, some causes and consequences. Objective-subjective nature of its formation, the need for studying and understanding the causes and the possibility of obtaining positive results if proper management organization that is in crisis - all this gives grounds to assert that the existence of a crisis - not the end of existence of the company.

2. Typology of crises

There are general and local crises. General crisis covers the entire socio-economic system, local - only part of it. This is the division of crises by scale of manifestation. Of course, it is conditional. In a specific analysis of crisis situations, it is necessary to consider the boundaries of the socio-economic system, its structure and the functioning environment.

The problems of the crisis can be identified macro-and micro crisis. Macro crisis is characterized by rather large volumes and scales of problems. Micro crisis captures only a particular problem or group of problems.

The feature of the crisis is that it like a chain reaction could spread to the entire system or all of the problems, because there are already organic interaction of all elements and problems cannot be solved separately. But this occurs when there is no management of crisis situations, there are no measures to localize the crisis and reduce its severity, or vice versa, when the intentional motivation for the development of the crisis is being implemented.

According to the structure of relations in the socio-economic system, differentiation of the problems of its development can be identified separate groups of economic, social, organizational, psychological, technological crises as presented in the fig. 1.

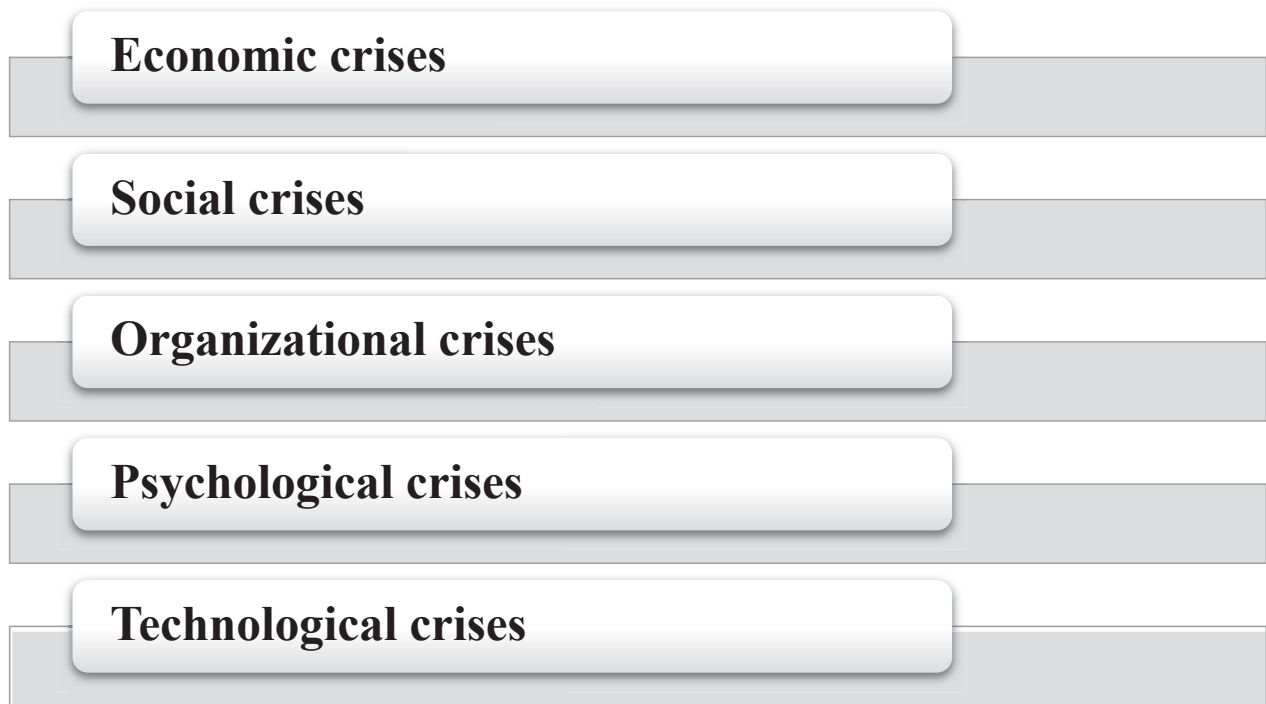


Figure 1. Groups of crises

Economic crises reflect sharp contradictions in the economy of a country or the economic state of a separate enterprise, firm. These are the crises of production and sale of goods, the relationship of economic agents, the crisis of non-payment, loss of competitive advantages, bankruptcy, etc.

In a group of economic crises one can distinguish financial crises. They characterize the contradictions in the state of the financial system or financial capabilities of the firm. This is a crisis of monetary expression of economic processes.

Social crisis arising in the exacerbation of contradictions or conflict of interests of different social groups or entities: workers and employers, trade unions and employers and employees of different professions, staff and managers, etc. Often social crisis is like a sequel

and complement economic crisis, although they may occur alone, for example about style in, dissatisfaction with working conditions, relations with environmental problems, from patriotic feelings.

A special position in the group of social crises is the political crisis. This is a crisis in the political structure of society, the crisis of power, the crisis of realizing the interests of various social groups, classes, in the management of society. Political crises, as a rule, affect all aspects of the development of society and undergo economic crisis.

Organizational crises are manifested as crises of division and integration of activity, division of functions, regulation of the activities of individual units, as separation of administrative units, regions, affiliates or subsidiaries.

In the *organizational* structure of any socio-economic system, organizational relationships may become exacerbated. This is manifested in business conflicts, in the emergence of confusion, irresponsibility, complexity of control, etc., which occurs when the excessive or rapid growth of the socio-economic system, the changing conditions of its functioning and development, errors in the partial reconstruction of the organization or organizational reinsurance, which creates bureaucratic tendencies. Organizational crisis often manifests as a paralysis of organizational activity. One of its forms is its exorbitant bureaucratization.

Psychological crises are also common in the current conditions of socio-economic development. These are crises of the psychological

state of man. They manifest themselves in the form of stress, which is of a mass character, in the emergence of feelings of uncertainty, panic, fear of the future, dissatisfaction with work, legal protection and social status. These are crises in the socio-psychological climate of a society, a collective or a separate group.

The *technological crisis* arises as a crisis of new technological ideas in the context of a clearly expressed need for new technologies. This may be a crisis of technological incompatibility of products or a crisis of rejection of new technological solutions. In a more generalized plan, such crises may look like crises of scientific and technological progress - the aggravation of contradictions between its tendencies, opportunities, and consequences. For example, the idea of peaceful use of atomic energy, the construction of nuclear power plants and ships is currently under an overwhelming crisis.

The immediate causes of the crisis are divided into natural, social, environmental. The first is caused by the natural conditions of life and human activity. The causes of such crises include earthquakes, hurricanes, fires, climate change, floods. All this cannot but affect the economy, human psychology, social and political processes.

On a certain scale, such phenomena of nature give birth to crises.

The cause of the crisis can be social relations in all their manifestations.

In today's conditions, understanding and recognition of crises of human relations with nature is of great importance - ecological. These

are crises that arise when changing natural conditions caused by human activity - resource depletion, environmental pollution, the emergence of hazardous technologies, neglect of the requirements of laws of natural equilibrium.

Crises can also be *predictable (regular)* and *unexpected (random)*. The expected crises come as a stage of development, they can be predicted and caused by objective reasons for the accumulation of factors of the crisis - the need for restructuring the production, changing the structure of interests under the influence of scientific and technological progress.

Unexpected crises are often the result of gross mistakes in management, or of any natural phenomenon, or of economic dependence, which contributes to the expansion and spread of local crises.

A variety of predictable crises is a cyclical crisis (of course, if the nature and crisis of nature of the crisis are known and studied). It may occur periodically and has known phases of its onset and flow.

There are also crises *explicit* and *latent (hidden)*. The first flows are noticeable and easily manifested. The second is hidden, proceeding relatively unobtrusively and therefore the most dangerous.

Crises are deep and easy. Deep, sharp crises often lead to the destruction of various structures of the socio-economic system. They run difficult and uneven, often accumulate in themselves a lot of contradictions, tie them into an intricate tangle. Light, soft crises

proceed more consistently and painlessly. They can be predicted, easier to manage.

The whole set of possible crises is also divided into groups of crises, *prolonged* and *short-term*. Time factor in crisis situations plays an important role. Prolonged crises tend to be painful and difficult. They are often the result of inability to manage crisis situations, not understanding the nature and nature of the crisis, its causes and possible consequences.

In general, the socio-economic system is a self-regulated system. This means that in its existence, there are mechanisms for restoring the necessary and relative equilibrium. But because management exists, because there is, on the one hand, part of these mechanisms, on the other hand, in order to ensure, based on these mechanisms, less painful and more consistent in terms of human interests' development of the socio-economic system.

3. Rationalization of the necessity of crisis management in modern conditions

The desire to manage crises effectively can be expressed in the desire to expand the scope of management, that is, to reduce the proportion of unmanaged processes. And to some extent it succeeds. It can be assumed that in the future, people in general will exclude crises in the development of socio-economic systems, and current crises

characterize only the level of human development, lack of knowledge, imperfect management. However, the whole practice of the development of society and economy in all periods of history shows the opposite. Despite the "human nature" of crises, they cannot escape them.

Moreover, in many cases, the very human nature of the crisis is its cause and source.

All human activity is built on satisfaction of its interests, which change unevenly and disproportionately. Interests are in constant conflict even with an individual, and even more so in social groups or classes of society. Contradictions of interests and objective unevenness of their changes determine both the possibility of crises, and their need. This is the basis of all the crises in the socio-economic system, even the crises associated with natural conditions.

With the development of the socio-economic system, there is an increase in the role of the human factor in its crisis development, which means not a crisis, but a fight against it, but a prediction and a sure, timely and, if possible, painless resolution.

Anti-crisis management at the enterprise (in international practice and theory is denoted the term "crisis management") is a fairly broad concept. It is not tied to any particular legally defined form of crisis, i.e. it is not at all necessary that a crisis enterprise was declared bankrupt. The only thing that matters is that in fact the company is experiencing a financial crisis associated with:

- with increasing losses on current operations;
- with sharply reduced liquidity enterprises;
- with a "collapse" of equity capital (market capitalization, share capital, assessment of the reasonable market value of equity capital);
- emergence of overdue accounts payable in the company;
- lesser or greater degree of manifested insolvency.

Accordingly, *crisis management* is a set of measures to bring an enterprise out of such a actual financial condition.

Crisis management ends with the company's exit from the financial crisis, which is expressed either in the disappearance of the threat of bankruptcy, or in a “softer” version, i.e. in overcoming the unprofitability of the company.

Often, such control is understood as either *crisis management*, or management, aimed at bringing the organization out of the crisis the state, i.e it can be called *anti-crisis management*.

Anti-crisis development is not an absolute absence of a crisis, but the presence of such crises, which are the impetus of a successful, from the standpoint of human rights, development.

In its essence *anti-crisis management* is:

- analysis of the state of the macro- and microenvironment and selection of the firm's preferred mission knowledge of the economic mechanism of the emergence of crisis situations and the creation of a system for scanning the external and internal environment of the firms

for the purpose of early detection of “weak signals” about the threat of an approaching crisis;

- strategic controlling of activities of the firms and developing a strategy to prevent their insolvency;
- operational assessment and analysis of financial the state of the company, and identifying the possibility of insolvency (bankruptcy);
- development of a preferred policy of behavior in the context of the onset of the crisis and withdrawal the firms from it;
- constant consideration of the risk of entrepreneurial activity and the development of measures to reduce it.

The system approach to overcoming the crisis phenomena in the enterprise, supplemented by the achievements of situational and process approaches, put forward a new phenomenon in the management of enterprises - crisis management.

So that, **anti-crisis management is a type of management oriented towards the following objectives:**

- prevention (mitigation) of the impact on the enterprise of devastating crisis phenomena;
- creation and support of the enterprise in the mode of survival in cases where the crisis still arose;
- stabilization and withdrawal of a company from the crisis through programs of financial rehabilitation, restructuring, competitiveness enhancement, etc., or when the normalization of the company's activity is impossible - reorganization by court decision (as

the definition and preservation of at least certain “healthy” parts of the enterprise), liquidation of the enterprise with the smallest losses.

It is the task of crisis, manager to determine the essence, place, role, main types of crisis phenomena and the stage of development of the crisis of the enterprise, to reveal methodological approaches to the development of “rules of effective behavior” under the conditions of a crisis situation, as well as to analyze some ways of preventing and overcoming the crisis in foreign and domestic organizations, which successfully operate in different conditions.

4. The concept of state regulation of crises as a function of public administration

Downs and ups, financial collapse and rebirth are indispensable satellites of the economy of industrialized countries. In the epicenter of these components of economic development there are enterprises and households that form the foundation of society's life.

Enterprise from the position of management - an object management, which is carried out technical, commercial, financial, insurance, accounting and administrative operations. For the state, the enterprise is the micro-economic potential of the country. Through households are implemented social goals of social production. This is especially true of the part of family consumption, which goes to the upbringing of a new generation

The pursuit of sustainable development, reduction of poverty, better education, higher levels of nutrition and health care, a clean environment, greater equality of opportunity and freedom of the individual, and a richer cultural life are the common goals for the enterprise and for the household.

In this regard, of course, the question arises as to whether it is possible to predict the economic future of how to save a company or household from a collapse, while the role of the state, from which the mechanism of state regulation is composed, etc.

In a market economy, the main attention of owners and management is turned to optimization of their tasks. Yes, companies tend to maximize profits, and households - to more profitable use of their income. However, the task of optimization may not only not be fulfilled, but there may also be a situation of ruin of the household, the collapse of the enterprise, the bankruptcy of entire industries and even the death of nature. The investigation of such phenomena - the aggravation of social conditions.

Violation of the equilibrium leads to a crisis - a phenomenon, in its essence, represents a certain limit and aggravation of contradictions within an empty mode of regulation. From the position of the theory of regulation, the crisis can be classified as presented in the fig. 2 with following description.

Classification of
the crises

*- crisis as a result of “external”
shock*

a cyclical crisis

structural (big) crisis

the crisis of the regulatory system

a crisis of the mode of production

Figure 2. Classification of the crises

We can describe the crises classification as follows:

- crisis as a result of “external” shock. In this sense, the crisis refers to the situation where the continuation of economic development of a given geographical community is blocked due to lack of resources associated with natural or economic disasters;

- a cyclical crisis. Here, the crisis is a phase of eliminating the tensions and imbalances that have accumulated during the recovery in economic mechanisms and social processes;

- structural (big) crisis. Whenever economic and social dynamics conflict with the way of development that gives it a permanent impetus, that is, any case of manifestation of the contradictory nature of the long-term reproduction of the system as a whole;

- *the crisis of the regulatory system*. The situation when the mechanisms associated with the existing regulatory system are not able to change the adverse market conditions, although the accumulation regime remains completely viable;

- *a crisis of the mode of production*. This crisis is characterized by an exacerbation of contradictions that develop in the bowels of the most important institutional forms - forms that determine the mode of accumulation. In the course of the crisis, the most important laws that are based on the organization of production are the prospect of profitable use of capital, the distribution of value and the structure of public demand are found to be non-viable. This is a situation where the entire dynamics of reproduction of this particular economy is blocked.

State regulation as such is a function of state management, which ensures the equilibrium state of the institutional formations of the economic system. State regulation is intended to track the relationship between the scale and speed of transformation and the emergence of dangerous trends that threaten the social stability and security of the country.

The dynamics of emerging from the crisis, and then economic growth, is determined by the ability to encourage state regulation to encourage the development of institutional forms that are adequate in time. For the crisis, which represents the destruction of all outdated and leading to the revision of previous representations, it is important to

consider the new shoots, around which there should be a restructuring of the entire economic and social space.

Any state intervention in the economy involves two issues: first, why does the state do it? and, secondly, how does it do it? The answer to the second question is usually associated with regulatory-legislative activity, financial regulation, activities in the field of production and redistribution of income.

Topic 2: CRISIS MANAGEMENT METHODOLOGY ON MACROLEVEL

- 1. The essence, possibilities, problems and technologies of crisis management.**
- 2. Innovation and investment processes as factors of crisis management.**
- 3. State regulation of crisis situations at the macro and micro levels.**
- 4. Emergency situation in Ukraine, introduction and termination.**

Key words:

Crisis management methodology, technologies of crises management, factors of crises management, state regulation of crises management, innovations, investments, state regulation of economy, emergency situations

1. The essence, possibilities, problems and technologies of crisis management.

Any management is a process, that is, a sequence of operations, techniques, methods of forming and implementing an action on a managed object. This process has a natural logical content, which is determined by the essence of management: assessment of the situation, finding the main problem, the adoption and implementation of management decisions.

But within the framework of this general content of the management process there are various options for the formation of actions that reflect the features of the subject and object management, the specific circumstances, experience and competence of the manager and personnel management, other characteristics of the practical conditions of management activities. In accordance with this process, management consciously places on the criteria of rationality, time saving, resource utilization, maximum efficiency. This is the name of technology management, which consists in the selection and implementation of a certain sequence, a combination of operations in the development of managerial decision.

Anti-crisis management, as well as all management is characterized by specific technological management schemes. But the specificity of crisis management reflects the specificity of its technology. Here the factors of time deficit, reduced management,

conflicts of interest, high degree of uncertainty and risk, complex interweaving of problems, pressure of the environment, decrease of competitiveness, violation of the balance of power may have a significant impact.

The technology of crisis management is a complex of consistently implemented measures; prevention, prevention, overcoming of the crisis, reduction of its negative consequences.

The technological scheme consists of 8 blocks:

1. Creation of a team of specialists for the withdrawal of a crisis organization with appropriate powers and resources
2. Verification of appropriateness of measures on anti-crisis management
3. Developing management solutions to overcome the crisis
4. Creation of a system for implementation of managerial decisions
5. Implementation of managerial decisions
6. Checking the quality of management decisions
7. Verification of the feasibility of further work on the withdrawal of the organization from the crisis
8. Development of measures for predicting future crises

For greater clarity, we can present this information in the form of a figure 3.

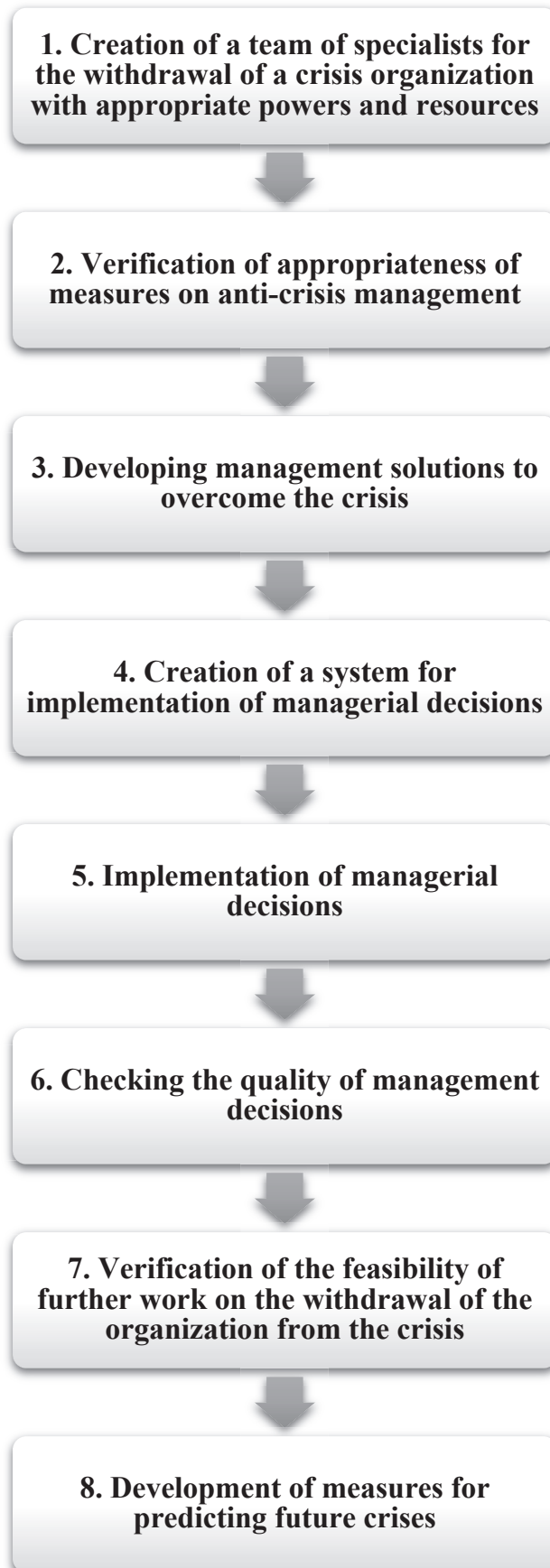


Figure 3. Blocks of technology of crises management

Principles of effectiveness of crisis management

- scientific analysis and forecasting of trends
- methodology for developing risky solutions
- the quality of the anti-crisis program
- strategy in management
- the art of crisis management
- professionalism of crisis management
- efficiency, flexibility management, time factor
- monitoring of crisis situations
- human factor: personnel, values, motivation.

2. Innovation and investment processes as factors of crisis management.

The importance of innovative development of the economy of Ukraine is determined by the growing importance of new technologies and innovations in the socio-economic development of society. Currently, the extensive type of economic reproduction, aimed at exhaustive use of existing economic resources and their quantitative attraction from outside, can ensure only short-term economic growth. Focusing exclusively on extensive factors of development in the long term causes countries to fall behind significantly and deepens their economic dependence.

Intensive factors (increasing the qualifications of personnel, the characteristics of materials and equipment due to the development of science and technology, the use of innovations, the application of innovations) are capable of ensuring intensive development: the structure of the economy is changing, the share of knowledge-intensive production and the sphere of business services is increasing, the specific weight of products with high added value, the value of production of extractive industries decreases. By improving the efficiency of the use of resources, part of them is released and redistributed to other areas of activity. The structure of consumption of material and immaterial goods is being improved. In parallel, all macroeconomic indicators are growing. Thus, in developed countries, up to 90% of gross product growth is provided by the introduction of new technologies.

Thanks to innovative development, not only economic growth is ensured, but also social development takes place. Thanks to the increase in the population's income level and, accordingly, the standard of living, social tension decreases, and the confidence of society members in social guarantees increases. There is development in the field of education and health care.

In general, social dimensions, the acceleration of innovative development contributes to the strengthening of the democratic order, and the level of culture of the population increases. The role of the state is reduced to the support of the existing socio-economic order, and mainly through indirect methods of state influence.

Therefore, the activation of innovation policy is essentially a decisive link of the state's anti-crisis policy, because on its basis it is possible to carry out structural restructuring of the economy of Ukraine, and it requires the use of all the most important factors that could contribute to increasing their efficiency and having a positive impact on the rate of economic growth.

According to its economic meaning, innovation is the final result of the implementation of scientific progress achievements with the aim of obtaining an economic, social, ecological, scientific and technical or other effect. Innovations are embodied in the form of new technologies, types of products, organizational, technical and socio-economic solutions of a production, financial, commercial and other nature.

The innovation process includes the creation, development and dissemination of innovations and consists of the following mutually determined stages: the emergence of an idea, fundamental research, applied research, research and development, experimental production, and consumption.

Innovative activity is an activity aimed at using and concretizing the results of scientific research and development to expand and update the range and increase the quality of products with their subsequent effective implementation on domestic and foreign markets. Innovative activity, which is associated with capital investments in innovation, is called an innovative form of investment.

Innovative activity is one of the forms of investment activity, which is carried out with the aim of introducing scientific and technical progress into production and the social sphere. Types of innovative activity are:

production and distribution of new types of equipment and technology;

progressive cross-industry structural changes;

implementation of long-term scientific and technical programs with a long payback period;

funding of fundamental research to achieve qualitative changes in the state of productive forces;

development and implementation of new resource-saving technologies designed to improve the economic, social and environmental condition of society.

An effective state innovation allows to realize the innovative potential (a set of resources that are necessary for the implementation of innovative activities) of the country and to ensure innovative

development. In accordance with Article 3 of the Law of Ukraine "On Innovative Activities", the main goal of the state innovation policy is to create socio-economic, organizational and legal conditions for the effective reproduction, development and use of the country's scientific and technical potential, ensuring the implementation of modern ecologically clean, safe, energy and resource-saving technologies, production and sale of new types of competitive products.

The main principles of the state innovation policy are:

- orientation to the innovative way of development of the economy of Ukraine;
- determination of state priorities for innovative development;
- formation of the regulatory and legal framework in the sphere of innovative activity;
- creation of conditions for preservation, development and use of domestic scientific, technical and innovative potential;
- ensuring interaction of science, education, production, financial and credit sphere in the development of innovative activities;
- effective use of market mechanisms to promote innovative activities, support of entrepreneurship in the scientific and industrial sphere;
- implementation of measures to support international scientific and technological cooperation, technology transfer, protection of domestic products on the domestic market and their promotion on the foreign market;

- financial support, implementation of favorable credit, tax and customs policies in the field of innovative activities;
- promoting the development of innovative infrastructure;
- information provision of subjects of innovative activity;
- training of personnel in the field of innovative activity.

The success of the socio-economic system - subject to constant development. Development is the acquisition of a new quality that determines the sustainability of the organization's livelihoods. This state of affairs is achieved through the development and application of new technologies. The crisis in the economy is aggravated by an innovation crisis. This is manifested in reducing the manageability of the processes of creating and introducing new products. Lack of funding sources, diminishing the activities of research creative teams. Therefore, the search for possible solutions to problems management, innovation processes becomes one of the most important tasks of anti-crisis management. In conditions of general acceleration of sciences. progress, globalization and internationalization of the market, increasing competition, innovation is becoming a key factor in success. A strategic management of innovations is the most important task of anti-crisis policy. The object of innovation in anti-curricular. maybe not only new products and new technologies (focus), but also new markets, new management methods, new organizational structures, etc. The core of the economic policy of developed countries is an innovative policy that determines the ability of the national economy to innovate,

effectively use the latest technologies. This process is of paramount importance for Ukraine, since we have inherited: an over-spending, inefficient economy, and in the face of fierce competition, most companies are bankrupt. Innovation potential of the organization depends on innovators. state policy.

Principles of state formation of innovation policy:

- state support for fundamental research
- freedom of sciences and sciences. creativity
- legal protection of intellectual property
- support for competition in the field of science and innovators.

Activities

- training strategy and retraining. frames for new industries
- development of international cooperation.

Innovation is the main component of the country's economic development and is practically the only means of survival. The state chooses the priorities of scientific and technological development and finances the most important programs and projects.

The investment process is the main function of the economy. The volume of investments is the most important criterion for the sustainable development of the national economy.

In general, the transition to an innovative type of development can be considered a decisive factor of softening and escaping crises in market economy of Ukraine, an information society, solving economic, environmental and social problems, overcoming the lag behind the

developed countries of the world, as well as structural restructuring of the economy in general and its real sector directly to the benefit knowledge-intensive industries.

3. State regulation of crisis situations at the macro and micro levels.

Human needs are unlimited and growing. However, the economic potential of the country, its resources are, on the contrary, limited. The well-known graph of the limits of production possibilities proves that production outside the limit of production possibilities of the economy is impossible under specific conditions. Societies are defined in different ways with regard to the use of resources available in the economy. In the conditions of a command economy, management is carried out on the basis of directive planning of the activities of all industries and spheres of life.

The command economy best manifests its positive features in times of crisis or during wars, since it is then that the rapid mobilization of material and human resources is necessary in order to overcome the problems of “hard times”.

In other conditions, excessive state influence on the economy leads to structural disproportions in the economy, equal distribution and redistribution of benefits, reduced motivation of labor resources, and extensive development.

Every system must develop in equilibrium conditions. Violation of the equilibrium leads to a crisis. Causes of equilibrium violation include monopoly; state intervention; inflation; external factors.

Regulation is a management function that ensures the equilibrium of the institutional formations of the economic system.

Market economy functions on the basis of balancing supply and demand. With the help of competition, the market gets rid of inefficient business entities. This forces entrepreneurs to direct resources to the production of those goods that society needs most, and to choose the most optimal combinations of the use of available limited resources, to find and implement innovative solutions.

The essence of the market is that it is a certain set of economic relations between different types of firms (industrial, trade, individual, corporations, state firms, etc.) and individuals regarding the purchase and sale of goods and services, in accordance with the laws of commodity production.

Market economy is a social form of economic organization based on commodity production, which provides interaction between production and consumption with the help of the market.

Mandatory conditions of the market are division of labor, diversity of forms of ownership (mandatory existence of private property), economic separation of economic entities, free movement of capital (economic resources), free exchange of money, access of various market entities to information, availability market infrastructure.

The functions of the market are the distribution of the main factors of production, the stimulation of technical progress, and the differentiation of trading entities.

Structurally, the market is a complex economic system that consists of various subsystems or independent “mini” markets. Depending on the use of one or another criterion, various types of markets are distinguished.

Types of market are presented in the form of table 1.

Table 1. Types of market

<i>№</i>	<i>Criterion of market classification</i>	<i>Types of market</i>
1	<i>Economic designation of subjects of economic relations</i>	1. Consumer market; 2. Capital market; 3. Labor market; 4. Financial market; 5. Technology market; 6. Services market;
2	<i>Geographical location</i>	7. Local market; 8. Regional market; 9. Integration market; 11. World market;
3	<i>The degree of restriction of competition</i>	12. Monopolistic market; 13. Oligopolistic market; 14. Monopolistic competition; 15. Free market;

№	<i>Criterion of market classification</i>	<i>Types of market</i>
4	<i>Industry</i>	16. Automobile market; 17. Oil market; 18. Market of medical products and services; 19. Agricultural market; other industry markets;
5	<i>Scale of trade</i>	20. Wholesale market; 21. Retail market.

The main advantages of the market are as follows: ensuring efficient management from an economic point of view thanks to the effective use of resources, quick adaptation to changes in the economic situation, availability of free choice for both producers and consumers, use of scientific and technical progress in economic activity by individual market subjects, the ability to meet the growing diversification of needs, systematic improvement of the quality of goods and services.

A market economy is not an end in itself but a means. Therefore, the efforts of the state should focus on finding ways to maximize the use of available scientific and technical and production potential, to preserve human capital, and to ensure social support for reforms.

Therefore, concrete methods of carrying out active industrial and social policies, special attention - the problem of the formation of the

entire diversity of institutions, without which the market economy cannot function normally, should be developed.

World experience confirms that the market of competing sellers is still the best way to effectively organize production and distribution of goods and services. However, the market cannot evolve in a vacuum, it needs a legal and regulatory basis.

The state forms such a basis for development, protecting and protecting property rights, creating legal and other regulatory systems, promoting effective entrepreneurial activity of citizens and preservation of the environment.

State interference should not necessarily be manifested through the organization of any activity. It can act as a regulation of private activity, take the form of financial support, etc.

The tensions associated with the country's reform and the threat of social destabilization require ongoing state monitoring and analysis of the consequences of decisions taken by the authorities. The reform strategy should include a preliminary assessment of the social consequences of these decisions, their correction and a system of measures to mitigate and compensate for negative consequences.

All this determines the need for a new approach to the crisis management on macro level, which considers the uncertainty of the results of economic decisions, the inevitable risk factors.

The state functions in the sphere of management functions:

1. Enterprises of state subordination. The management of them as property complexes is carried out by the State Property Fund of Ukraine. Operative production management - industry ministries and departments. Such a division of functions has caused a lot of problems.

2. Enterprises with a state share in the authorized capital. Management is carried out by including in the bodies of management of these enterprises the representatives of the state, but the representative of the state must be a good manager, have methods of research management systems, have a sense of social responsibility.

3. Real estate of the state. This is a golden fund of state property, which is always in the price and must constantly function effectively.

4. Land relations. There are many legislative acts in this area that are often controversial and do not contribute to the effective development of agricultural production.

5. Property relations in the regions. Translate real estate from one form of ownership to another is not a problem. It is important to ensure that the interests of the employee, enterprise and the state are optimally implemented on this basis.

It is worth noting that the mechanism of the free market, despite all its positive qualities, the so-called market self-regulation, is, unfortunately, not without a number of shortcomings.

Disadvantages (failures, failures) of market self-regulation include the inability of competition, the inability of the market to

provide people with public goods, imperfect information, economic instability, external effects (externalities).

The failure of competition is connected with the fact that in the process of capital concentration, monopolies are formed, which subsequently destroy the competitive environment and, in fact, the market itself.

The failure of the market to provide people with public goods is caused by the fact that there are goods that should be publicly available, even provided free of charge to certain categories of the population. This is impossible in a pure market.

Not all market participants have the same *access to information*. The saying "he who owns information, owns the world" is well known. In market conditions, prosperity and even existence often depends on how well informed its participants are about demand, prices, market capacity, availability of free resources, financial, political, and economic factors.

The market assumes a constant *change in the phases of economic cycles*. The phase of growth is replaced by a phase of decline and crisis, which is replaced by growth again. This fact threatens the existence of many enterprises, especially small and medium-sized enterprises.

External effects (externalities) occur when the actions of one economic entity cause unforeseen damage or cause unforeseen benefits to other economic entities. For example, the construction of a chemical plant on a river, not far from a fishing site, is a negative externality for

a company that may be engaged in catching and selling fish from that body of water. On the other hand, for an enterprise engaged in bee breeding and beekeeping, a positive external effect will be if an enterprise is created nearby where they will cultivate and breed, for example, flowers. The specified business entities are autonomous from each other in market conditions, and therefore it is simply impossible to predict the location and direction of activity of "neighboring enterprises".

Currently, the economic systems of the developed countries of the world differ significantly from the classical market. Their main difference is in the conscious state regulation of socio-economic processes. The market mechanism is supplemented by non-market regulators ("the invisible hand" of the market is reinforced by the "visible hand"). This is due to the fact that the market itself does not ensure the realization of universally recognized values. The market economy in its pure form cannot be socialized and humane. The optimal combination of state regulation and market self-regulation is today the key to successful business. The state assumes responsibility for effective social development in general: it resolves issues of environmental protection, social problems, supports inefficient from the market point of view, but vital industries and spheres of the national economy (education, health care, basic sciences).

State regulation of the economy is a system of typical measures of a legislative, executive and control nature, which are carried out by

the relevant state bodies in order to stabilize and adapt the existing socio-economic system to constantly changing conditions.

Table 2. Directions of anti-crisis management on macro level

№	Objects of anti-crisis measures	The activities to soften or escape crisis
1.	Market	Protection of competition, antimonopoly legislation, protection of private property, provision of other market conditions.
2.	Socio-economic development of the country	Socio-economic forecasting and programming, creation of targeted comprehensive development programs, selection of priorities for socio-economic development, macroeconomic planning.
3.	Financial-budgetary and monetary regulation	Manipulation of the state budget (taxes and state budget expenditures), regulation of monetary relations.
4.	Investment and structural regulation	State regulation of the structure of the economy, inter-industry relations, including through the inter-industry balance of the economy, ensuring progressive structural changes in the economy, overall economic balance, stimulation of investment activity.
5.	State regulation and stimulation of scientific, technical and innovative development	Development and implementation of the state scientific, technical and innovation policy, support for the development of innovative infrastructure, support for the development of intellectual capital,

№	Objects of anti-crisis measures	The activities to soften or escape crisis
		development of innovative sectors of the economy, transition to the fifth and sixth technological orders in production.
6.	State regulation of entrepreneurship	State regulation of a number of institutional transformations necessary for the development of entrepreneurship; state entrepreneurship as a subject and object of state regulation.
7.	State regulation of foreign economic activity	State regulation of export-import operations, balance of payments.
8.	State regulation of certain spheres of economic activity	State regulation of trade, tourism, education, health care, agriculture, chemical industry, light industry, etc.
9.	State regulation of regional development	Alignment and balancing of the development of individual regions, state regulation of territorial proportions and regional markets, forecasting and planning of comprehensive development of regions.
10.	State regulation of social processes	State regulation of the labor market and employment, income and consumption of the population, the level and quality of life of the population; social protection of the population, regulation of the development of social infrastructure.

№	Objects of anti-crisis measures	The activities to soften or escape crisis
11.	State regulation of environmental protection and nature use	Development and implementation of environmental policy, a system of environmental safety guarantees, ensuring the functioning of the mechanism of environmental protection and rationalization of nature use.

During the entire period of the development of socio-economic relations, the role of the crisis management in the economy changed: sometimes it was assigned a key role, which was accompanied by a significant influence on all branches and spheres of life, then secondary - up to the complete refusal of any intervention in economic processes. Even today, determining the role of the anti-crisis measures in economic development is the subject of many sciences, including economic sciences and management.

The American economist J. M. Keynes was the first to substantiate the need for crisis management of the economy. The deep economic crisis, the so-called Great Depression, which befell the United States of America in the 30s of the 20th century, forced the American government to take active actions along the lines proposed by J. M. Keynes, which later paid off. In 1936, J. M. Keynes published the well-known work “The General Theory of Employment, Interest and Money”, in which he clearly named and analyzed a number of

macroeconomic problems, proposed the basic principles of methodology and methods of overcoming them.

It is worth paying attention to the fact that, along with the already mentioned category of state regulation of the economy, there are categories of state administration and state policy.

State regulation of the economy is the organizing and regulatory influence of the state on the economic activity of market entities with the aim of streamlining them and increasing their effectiveness. The main functions of state management of the economy are organization, planning, regulation, staffing and control. From the point of view of subject-object relations, public administration is a continuous process of implementation of relevant functions, in connection with which it is also possible to apply the definition through functions to it, namely: public administration of the economy is a process of planning, organization, motivation, control for the purpose of formulating and achieving state goals.

Therefore, state regulation of the economy is, in fact, a function of state management, since the realization of any state goals requires their prioritization, which is actually a management process, and only then certain correction, regulation (if necessary) of the process of their achievement.

State policy is a component of management activity. In essence, public policy is a decision or course of action chosen from among alternatives; a set of interconnected and consistent goals, plans and

rules for solving tasks; a clear set of preferences and plans, worked out in order to make the results of a series of future decisions more predictable and consistent.

State policy is, in fact, the basic foundation on which state regulation is based. State policy should be oriented towards achieving the strategic goals of the state, for example, building a democratic civil society, achieving the goals of sustainable development, etc. Legislative and organizational consolidation of state policy is of key importance for its successful implementation.

The main types of state economic policy are anti-cyclical policy, investment policy, scientific and technical policy, innovation policy, competitive policy, budgetary and tax policy, credit and monetary policy, foreign economic policy, regional policy, structural policy, depreciation policy, price, social, environmental policy politicians.

Methods of state regulation of the economy are methods of influencing the state in order to implement the goals of the state economic policy through legislative and executive bodies on the sphere of entrepreneurship, market infrastructure, and the non-commercial sector of the economy in order to ensure the conditions for their effective functioning.

According to the nature of the influence on economic processes, the methods of state regulation of the economy are direct and indirect (indirect). Under the condition of using direct methods of influence, direct influence on business entities is carried out. When using indirect

methods of influence, the behavior of economic entities is regulated not directly, but indirectly, by creating conditions for stimulating the activity of economic entities in the direction necessary for the realization of the goals of the state economic policy.

The motivation of business entities is a key factor in ensuring the implementation of state priorities when using indirect methods of influence. Satisfying the economic interests of various social groups of society, creating conditions for the development of productive forces, realizing the potential embedded in the economy, structural restructuring of the economy are possible thanks to the use of indirect methods of state regulation of the economy.

Instruments of direct state regulation are normative legal acts, certain mandatory tasks of macroeconomic plans and programs, state orders, centrally set prices, regulations, standards, licenses, quotas, limits, etc.

The instruments of indirect state regulation of economic processes are instruments of monetary, budgetary and tax, investment, depreciation and other economic policies.

Finally, the state sector (state-owned enterprises, organizations) is a powerful instrument of state regulation of the economy. The peculiarity of the public sector is that it is both an instrument of state regulation and its object. Through the public sector, it is possible to significantly influence the competitive environment, to encourage

private enterprises to certain activities that correspond to the priorities of socio-economic development (for example, innovative activities).

A feature of state regulation of economic processes in conditions of weakness of the market mechanism is the objective necessity of direct participation of the state. The use of exclusively indirect measures of state influence on business activity is insufficient. In addition, it is necessary to remember that the goals of economic activity of market economy subjects often do not coincide with general societal goals.

With the strengthening of the market mechanism, the role of indirect methods of regulation is increasing. Tax, credit and customs policies are the most effective from the point of view of activation of investment potential. At the same time, tax mechanisms occupy a special place, since they are able to most subtly and efficiently determine the directions of investment of funds, and the reaction to them from the side of the entrepreneurial factor in a developed economy is a more elastic form.

In general, when comparing the effect of indirect measures of economic regulation and instruments of direct influence, the former are considered more acceptable, since, offering less state intervention in the market mechanism, they preserve the autonomy of the business entity in the private sector in decision-making, do not create artificial markets, since enterprises respond to real demand, not demand created by the state; predominantly support actions already performed, rather than

those that still need to be performed, thus limiting the possibility of abuse by economic agents; do not generate excessive bureaucracy and do not cause the need to develop packages of excessive and detailed requirements for the implementation of scientific research work. In addition, state regulation based on indirect methods is more predictable and stable, and the simplicity and transparency of requirements increases the effectiveness of such state regulation in comparison with state regulation based on direct methods of intervention in economic activity, which also requires periodic re-approval and review with on the part of legislators.

The general approach to the ranking of state regulation methods in the innovation sphere is proposed to be built based on the following principle: direct support methods should be used to stimulate the development of new forms of venture business organization and the innovation process, as well as to support areas for the full development of which market mechanisms alone are not enough. Indirect methods should be intended to stimulate the activity of existing participants in the innovation process.

Means of state regulation of the economy are automatic regulators, anti-cyclical regulators, state forecasting and programming.

Automatic regulators are a set of levers related to the economic activity of the state and act autonomously, regardless of acts of state policy.

One of the most striking examples of automatic (built into the mechanism of economic development) regulators are taxes. Taxes are automatically reduced in case of a decrease in the income of the population, if prices do not increase at the same time.

The amount of total tax revenues to the budget depends on the phase of the economic cycle: it increases during the phase of economic growth and decreases during the phase of economic decline. That is why there is an acute deficit of the state budget in periods of crisis.

Only automatic regulators are not enough in case of a prolonged crisis. The action of automatic regulators should be combined with specific countercyclical actions.

Anticyclical regulators are a set of levers of fiscal (budgetary) and monetary policy.

Most of the fiscal measures are associated with a long legislative procedure, therefore there is a significant time lag from the start of their implementation to receiving their effect. Fiscal measures include state purchases, state capital investments, transfer payments, regulation of tax rates, depreciation rates of fixed capital.

A relatively quick countercyclical effect can be obtained from monetary and credit measures of state regulation of the economy, which involves regulation of money circulation and credit.

The policy of “expensive money” is carried out by reducing the supply of money in order to curb inflation at the stage of economic growth.

The policy of “cheap money” is carried out in the case of underemployment, when it is necessary to stimulate production by expanding the money supply.

Credit measures include a change in the accounting rate of loan interest, a change in the norms of required reserves of commercial banks, the issuance (repurchase) by the state of short-term obligations of the state treasury, quantitative restrictions on credit and changes in lending conditions.

State forecasting and programming involve drawing up a central plan for the economy as a whole. Such measures of state regulation of the economy are used by some economically developed countries.

The main directions of state forecasting and programming are the coordination of activities of state enterprises and institutions, long-term planning of state capital investments, subsidizing and support of certain industries, coordination of production plans of monopolies with the general economic long-term forecast.

Thus, the market economy contains a number of advantages compared to the command economy and, at the same time, is not without a number of disadvantages. With the help of state regulation of the economy, it is possible to mitigate the negative impact of the so-called defects (failures) of the market. The directions of state regulation of the economy are diverse and concern almost all spheres of economic life. State regulation of the economy is carried out in the process of state management of the economy, that is, priority development goals are

first put forward, and only then is the process of correction (regulation) of their achievement carried out. According to the nature of the influence on economic processes, the methods of state regulation of the economy are direct and indirect.

4. Emergency state in Ukraine, introduction and termination.

Emergency state is a special legal regime that is temporarily introduced in Ukraine or some of its regions in the following cases:

- the occurrence of particularly severe man-made and natural emergencies that threaten the life and health of large sections of the population;

- the implementation of mass terrorist attacks, accompanied by the death of people or the destruction of particularly important objects of life support;

- the occurrence of international and interconfessional conflicts, the blocking or capture of certain particularly important objects or localities, which threatens the safety of citizens and disrupts the normal activities of authorities;

- mass riots, accompanied by violence against citizens, limiting their rights and freedoms;

- attempts to seize state power or change the constitutional system of Ukraine through violence;

- mass crossing of the state border from the territory of neighboring states;
- the need to restore constitutional law and order and the activities of authorities.

Mechanism for introducing the emergency state in Ukraine

The introduction of emergency state is proposed to the President of Ukraine by the Council of National Security and Defense, and in some cases by the Cabinet of Ministers.

The Emergency state is introduced by a presidential decree, which must be approved by the Verkhovna Rada (the Supreme Court) within two days.

According to the law, in order to introduce the emergency state, the president must appeal to persons, organizations or participants in actions that pose a threat to the country, with a demand to stop illegal actions. However, in conditions requiring urgent measures, the warning can be avoided.

The period for which the emergency state can be implemented

The emergency state in Ukraine can be imposed for a period of no more than 30 days and no more than 60 days in certain localities.

If necessary, the president can extend the emergency state for 30 days, but not more.

Like martial law, the state of emergency can be canceled early if the threat has passed.

For this, the president issues a decree.

Emergency state: what restrictions may be imposed on citizens

During the emergency state the following measures may be introduced by presidential decree:

establishment of a special regime of entry and exit, as well as restriction of freedom of movement in the territory where the state of emergency is introduced;

restriction of movement of vehicles and their inspection;

strengthening the protection of public order and facilities that ensure the livelihood of the population and the national economy;

ban on holding mass events and rallies;

forced alienation or seizure of property from legal entities and individuals.

In addition, additional measures may be introduced if the emergency situation is related to man-made/natural situations or in connection with mass violations of public order. In the second case, these can also be:

- curfew;
- verification of citizens' documents, inspection of belongings, luggage, cars;
- prohibition of conscripts, conscripts and reservists to change their place of residence without the knowledge of the relevant territorial recruiting center;

- restriction or temporary ban on the sale of weapons, poisonous and powerful chemicals, as well as alcoholic beverages and alcohol-based substances;
- temporary seizure of registered firearms and cold weapons and ammunition from citizens;
- prohibition of production and distribution of information materials that can destabilize the situation;
- regulation of the work of civilian television and radio centers;
- special rules for the use of communication and transmission through computer networks;
- in the manner determined by the Constitution and laws of Ukraine, resolving the issue of banning the activities of parties or public organizations in favor of national security and public order.

Under the emergency state the following are prohibited: changes to the Constitution of Ukraine and laws on elections, holding elections (presidential, Verkhovna Rada, local), holding referendums.

The procedure for introducing martial law

In Ukraine, *martial law* is defined as a special legal regime introduced in the event of a threat to national security.

The National Security and Defense Council of Ukraine submits proposals for the introduction of martial law in Ukraine or in some of its localities for consideration by the President of Ukraine.

After considering these proposals, the President of Ukraine issues a decree on the introduction of martial law.

The Verkhovna Rada of Ukraine, which meets without convening for this purpose, examines it and decides within two days.

The approved decree is immediately announced through mass media.

In addition, Ukraine immediately reports through the General Secretary of the UN about the parameters of the introduced state of emergency of the states participating in the International Covenant on Civil and Political Rights.

Topic 3. THE CONCEPT OF THE LIFE CYCLE (LC) IN CRISIS MANAGEMENT

- 1. Factors of the crisis of organization*
- 2. The concept of LC*
- 3. Driving forces under the management of the company's
enterprise*

Key words:

**crisis management, life cycle, factors of the crises
enterprises-explorants, enterprises-patients,
enterprises-violents, enterprises-commutants,
enterprises-lethalents, anti-crisis strategy**

1. Factors of the crisis at the enterprises

In modern management literature, the notion of “organization” is considered as a separate structural unit in the general system of social division of labor. The criterion for such a separation is economic independence, organizational integrity (the existence of the internal and

external environment), the availability of specialized information structures, the ability to allocate for this unit the overall result of work.

An organization, company, office, joint-stock company, bank, company (insurance, tourism, agrarian etc.) as well as structural units of the state management system can be considered as an organization.



Is it possible to have a crisis in the activity of a separate organization?

This is a very important issue in the problems of modern management. The possibility of a crisis is determined by risky development, which manifests itself in the likelihood of a crisis, the danger of crisis situations. This danger always exists.

Crisis are not only possible, they reflect the own rhythms of development of each individual organization, sometimes do not coincide with the rhythms of general development or the development of other organizations.

Each organization has its development potential, its conditions of its implementation and obeys the laws of cyclic development of the entire socio-economic system. Therefore, it is in a state of definite attitude to the general cycles of the economy, while having its own cycles and crisis development. These may be external and internal factors, general and specific.

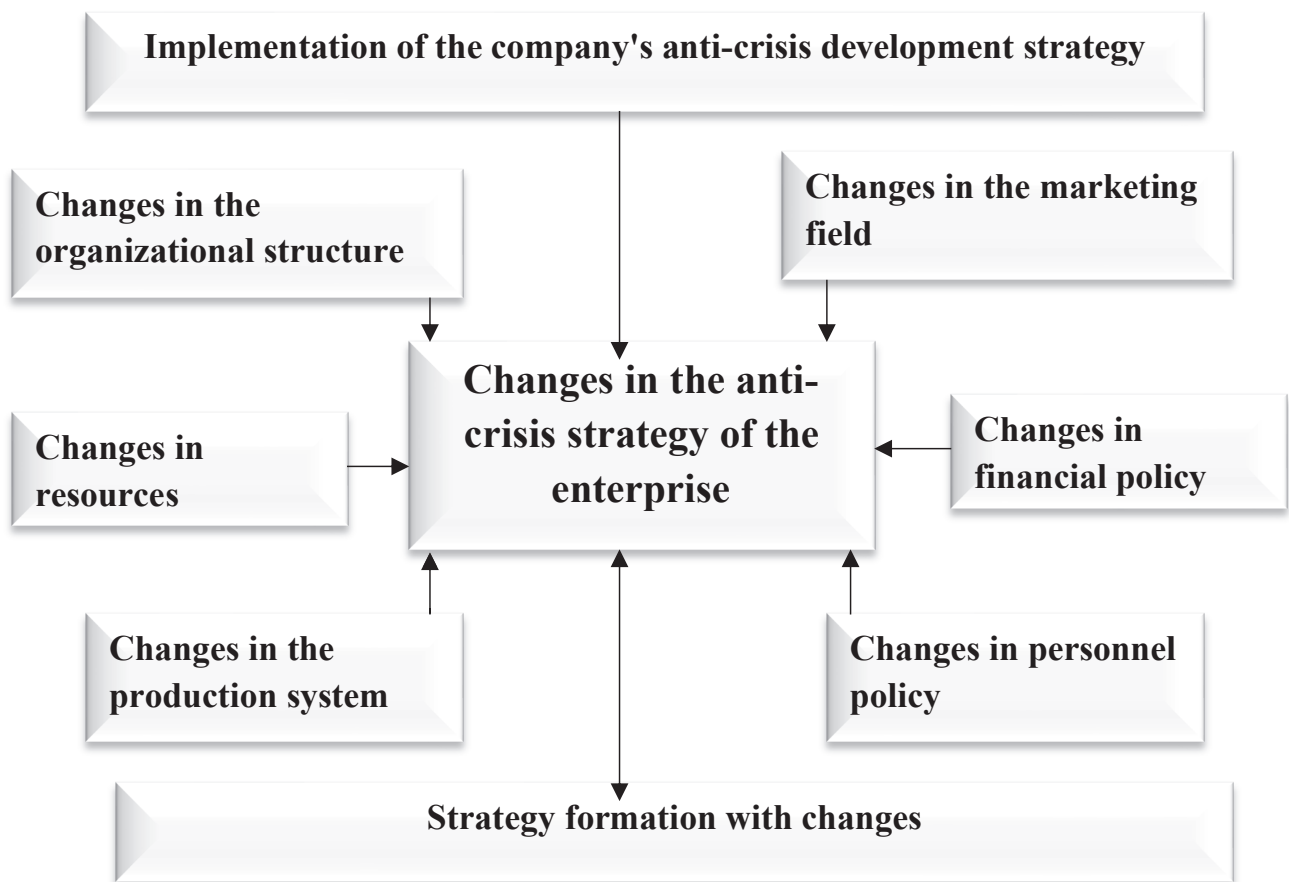


Figure 4. Implementation of anti-crisis development strategy

External factors characterize the economic environment in which the organization operates and which it cannot influence. If the economy is in a state of systemic crisis, this cannot but affect the state of a separate organization. But for each it is reflected in different ways. It all depends on the nature of the organization and its area of activity (state, private, large, small, commercial, industrial, etc.), as well as its internal state (economic potential, professionalism management, personnel, social atmosphere, etc.). The organization can successfully

counteract external crisis phenomena or, conversely, respond to them in the direction of increasing the negative effects in their own state.

Possibly, such a situation in which the organization is in deep crisis, even with a fairly favorable external economic environment. It may also be due to internal factors such as business and socio-psychological conflicts, inefficient organization of work, low professionalism of staff, aging of technology, miscalculations in the economic strategy, mistakes in making economic decisions, unsuccessful marketing, and many others.

Factors of crisis in the organization may be different. But it is very important to see the symptoms of crisis development in order to be able to launch anti-crisis management programs in a timely manner. It is necessary to distinguish factors, symptoms and causes of the crisis

Factors are alarming events whereas symptoms are manifestation of a crisis phenomenon. The reasons are the source of the crisis. Recognition of the crisis is in identifying the symptoms, factors and causes of the crisis, determining its content, properties and character. Means include intuition, experience, special knowledge, analysis, research, diagnostics.

Symptoms are manifested in indicators and, most importantly, in trends in their changes, reflecting the functioning and development of the organization. Thus, the analysis of indicators of productivity, efficiency, energy efficiency, financial status or such as staff turnover, discipline, job satisfaction, conflict and other can characterize the

situation of a production organization in the aftermath of a crisis. An important role is played by the analysis of financial and economic and socio-economic indicators.

But what can be a symptom of the crisis? The symptom of the crisis is both the state of the indicator and the tendency of its change. In this case, the state of indicators can be evaluated both in relation to the established normative value (tolerances of change), and in relation to each other.

A symptom of crisis development may be either the discrepancy of indicators with regular relationships or temporal parameters, for example, the growth rate of labor productivity must outstrip the growth rate of wages. If this does not happen, the danger of a crisis increases.

Symptoms do not always reflect the causes of the crisis. Reasons often lie deeper than the external manifestation of crisis signs. Symptom is the initial, external manifestation of crisis phenomena, which do not always characterize the real causes of the crisis, but for which these reasons can be established. To assess the crisis should be not only for its symptoms, but also for reasons and real factors.

The crisis factor is an event, or a fixed state, or a tendency that indicates the onset of a crisis. The reason for the crisis is an event or phenomenon, which leads to crisis factors

It is customary to consider the enterprise as an organizational system, which usually consists of two traditional subsystems: production and management with a set of relevant directions activities

- elements. Also, crisis phenomena should be distinguished into external and internal, correspondence of the impact on the company's activities, however, their mutual influence should be remembered. In turn, the occurrence of internal crisis phenomena at the enterprise depends entirely on effectiveness of its work, therefore, the management can eliminate these crisis phenomena with the help of appropriate tools. As for the emergence of external crisis phenomena, they are accompanied by unstable economic conditions. Determining the impact of crisis phenomena on that or another element or direction of activity, the ultimate goal remains the identification of key points, which are most affected by the crisis, in order to find optimal mechanisms for ensuring effective activities of enterprises.

Since the impact of specific threats largely depends on the state of the enterprise, it is necessary to more widely investigate the areas of activity (key points) that are characteristic of most enterprises. First of all, the impact of the crisis affects an important element of the organizational system is implementation. Due to the fact that the consumer or buyer of consumer goods is limited in financial resource. The drop in the solvency of consumers during the crisis is caused by a sharp drop a decrease in the incomes of the population due to the limitation of wages and mass reduction the number of employees, as well as the occurrence of a shortage of available credit resources to replenish the working capital of production enterprises, or the lack of funds in connection with inability to sell manufactured products. In

turn, the lack of solvent demand causes a crisis of overproduction. So, first of all, marketing and sales activities are exposed to the influence of negative threat factors. Therefore, this activity requires urgent adjustment. On the activity, related to marketing, influenced by factors caused by structural, foreign economic, technological and natural and ecological causes of the crisis.

The sales direction of activity is mainly influenced by factors caused by production, structural, organizational, economic and foreign economic causes of the crisis (fig.5).



Figure 5. Factors that influence sales direction of activity

Destruction of the current trade network, mutual non-payments, reduction of available credit resources and a decrease in demand lead to:

- accumulation of stocks of finished products;
- deceleration receipts of payment for shipping goods
- deficit of funds for the enterprise.

So, focusing on the practical side of the company's activities, it is possible to do the assumption that the most susceptible to the influence of crisis phenomena is the sales direction of activity.

This is especially monitored in such situations when: enterprises do not have their own trading room networks; enterprises place excessively high expectations on the outsourcing of sales and logistics functions to the detriment of the development of own capabilities; opaque, significantly different ones are built according to its terms, schemes of the company's relations with dealers.

2. The concept of Life Cycle

The concept of “life cycle” is widely used in management practice in relation to such systems as industry, organization, employee, production technology, product (product), project activity.

Analyzing these phases, it is possible to obtain data on market features, prospects for product sales dynamics, forms of competition typical for this phase, levels of costs and profits

As a result of life systems there is a change in the trends of their existence. Periods of changes in the tendencies of systems functioning as a result of the exhaustion of the internal capabilities of the system

(the potential of the system) or under the influence of external factors are transitional periods or, according to the adopted classification, in some cases, crises. In this regard, it is necessary to rely on the classification of transitional periods associated with changes in trends in the description of life cyclic models.

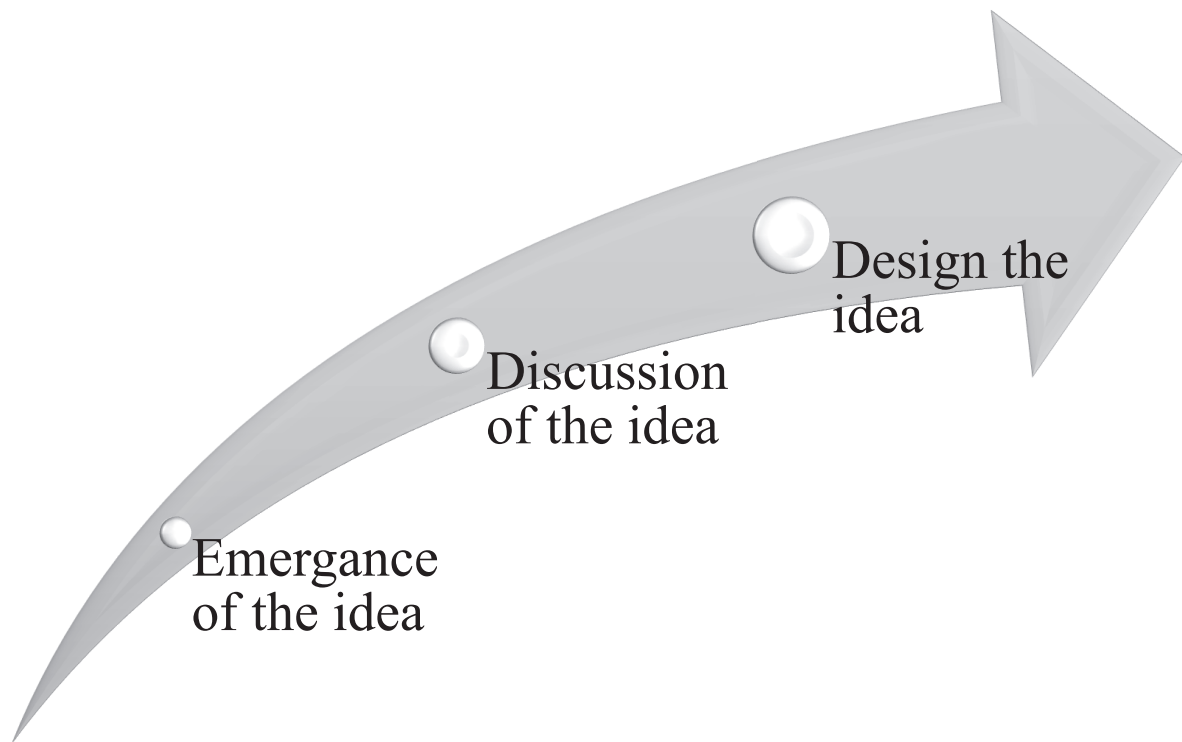
For management, knowledge of the crisis, its possible manifestations in the life of the system serve as the basis for developing measures to prevent or mitigate the negative and enhance the positive effects. This requires (the consideration of crisis management is made in technological categories) knowledge of what stage of the life cycle is the system, which kind of transition period is expected (maybe in some cases, the set of species) and what depth of the processes are predicted. All this determines the use of cyclic models of the life of the studied systems, and the production system (organization, firm, enterprise, etc.), as well as the system of any other nature and purpose, obeys the cyclic laws of life.

The basic concepts of the Life Cycle (LC) concept are the basis for considering the main issues of the anti-crisis measures, and the priority should be given to the characteristics of the crisis as one of the phases of the Life Cycle system.

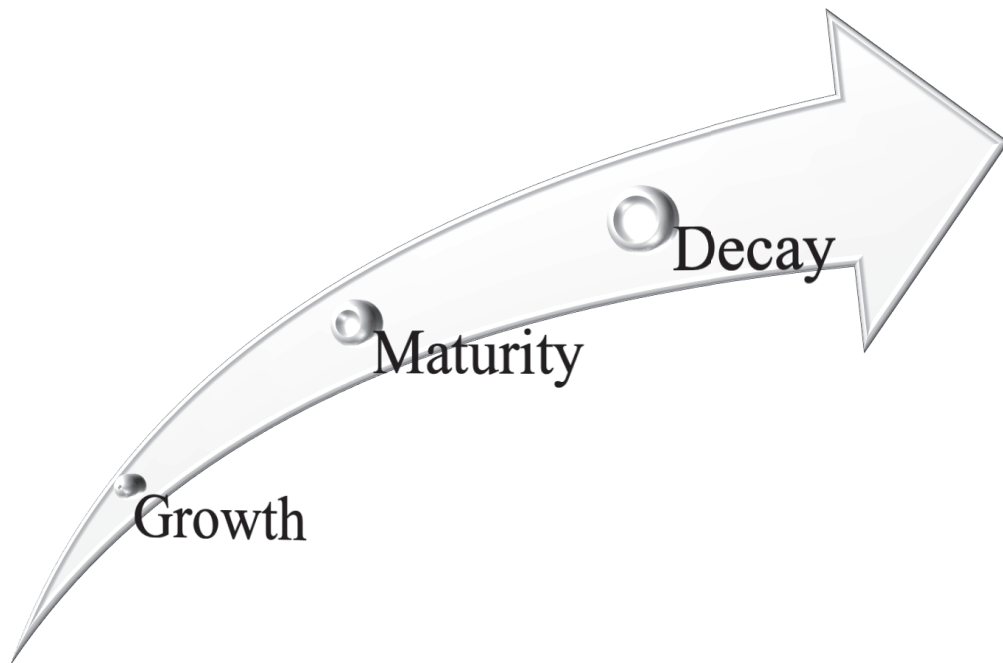
Before proceeding to the consideration of the main issues of the topic, it should be noted that in the development of any socioeconomic system there are several cycles that interact with each other, overlap, go parallel. Each of these cycles passes certain phases and stages. Each

stage corresponds to a certain state and features of the socio-economic system. Such features and characterize the type of organization.

In the life cycle of any real system distinguish an ideal and real cycle. The *ideal cycle* covers the following stages that distinguish it from the *real cycle*: the emergence of an idea, its discussion and design, that is, the design of the idea in a form suitable for implementation (implementation into practical activities).



The real cycle originates from the point where the “materialization” of the idea takes place, the implementation of the measures of the developed project begins. In turn, depending on the type of object, usually distinguish such stages of the real cycle as growth, maturity, decay.



The life cycle of a company is formed under the influence of the ratio of stages of life cycles of such components as demand for products, individual products, personnel, competitive advantage, organizational form, technology, industry. It should be noted that the study of the Life Cycle of the enterprise is a complex process, which takes into account the endo- and exogenous properties of the enterprise's research object. The enterprise can last from several months (small enterprises, internal ventures of large enterprises) to dozens of years (coal mines, railways, etc.).

Produced products determine the utility of the company for society, as well as the possibility of its existence in the future for an unchanged range. However, no company has yet been able to release a

particular type of product without making any changes. Each product has its own life cycle. It distinguishes between: the full “life cycle” of products, the life cycle of products in the sphere of production, the life cycle of consumption.

Life cycle of the enterprise is connected with life cycles of products, because in the assortment there can be new products, mastered by the enterprise and market goods, as well as goods for which there is almost no demand as the range may have new products, mastered by the enterprise and market goods, and also products for which there is almost no demand - such that obsolete or disappearing goods.

The life cycle of products, and also to a large extent the enterprise itself, depends on the life cycle of demand, that is, the time interval, which covers several stages, each of which is characterized by certain changes in the time demand for one product or another. The beginning of the life cycle of demand is determined by the moment when the public need, which was previously not satisfied (for example, the need for an individual home), began to be satisfied with goods or services.

The life cycle of a product presented in the economic literature describes the typical development of indicators of the volume of sales, turnover and profit from the sale of a given product during its production.

There are *four main phases of the product life cycle*: introduction, growth, maturity and decline.

The *life cycle of demand* for some product consists of the following phases: birth, acceleration, growth retardation, maturity and decline (Table 3).

It is necessary to provide a timely response to demand, complementing existing activities with new ones, as well as “cutting off” those that prevent the company from achieving the necessary growth rates.

Table 3. The life cycle of demand

PRODUCT LIFE CYCLE PHASE	CHARACTERISTICS
INTRODUCTION	<p>High product development costs:</p> <ul style="list-style-type: none"> - R&D funding; - Development of production; - Marketing expenses. <p>Slow growth of production and sales.</p> <p>High risks of the development period.</p> <p>The form of the market is monopoly.</p> <p>Consumer preferences create the basis for a high level of product price</p>
GROWTH	<p>High growth rates of production and sales.</p> <p>A stable demand for the product has been created.</p> <p>Barriers to entry into the industry are falling.</p> <p>Competition (including price competition) is intensifying. Production costs are reduced (scale effect).</p> <p>The price of the product decreases</p>
MATURITY	<p>Maximization of sales that ensure maximization of profit.</p> <p>Further competition and price reduction.</p>

PRODUCT LIFE CYCLE PHASE CHARACTERISTICS

PHASE

DECLINE

Decrease in sales volume.

The rate and mass of profit is reduced.

More advanced substitute products appear, and therefore the demand for this product decreases.

Business risks are growing.

Saturation of demand occurs and saturation of data occurs

The duration and particularity of the stages of the life cycle of each product are strictly individual and depend on many factors (characteristics of the product itself, the availability of substitute products, the level of technology development, etc.).

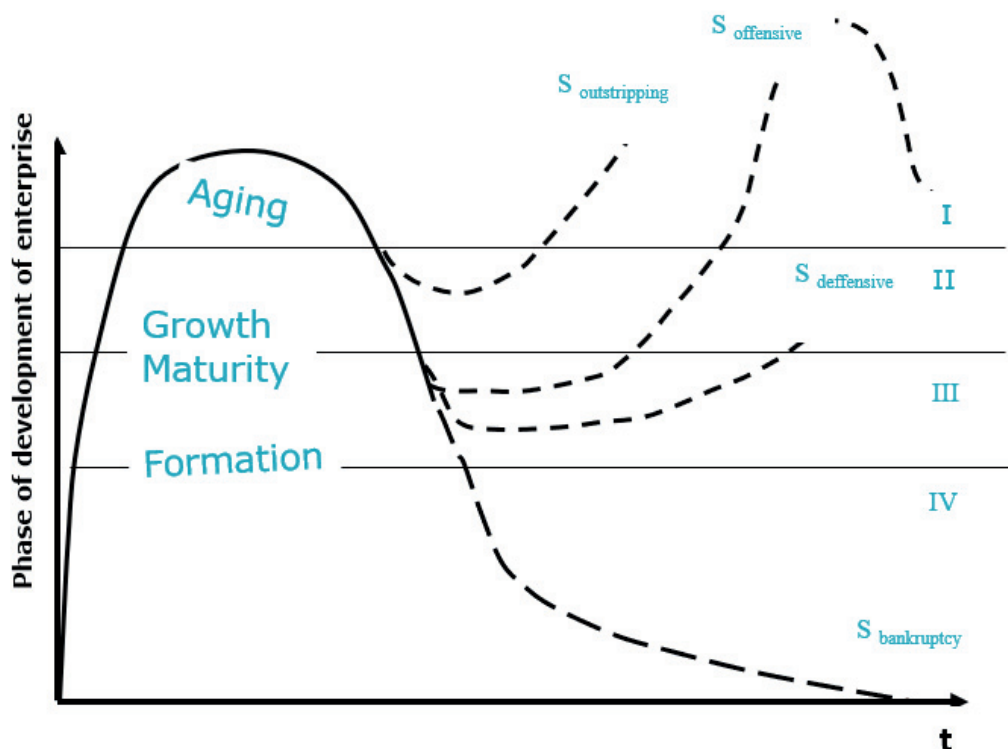


Figure 6. Strategies of enterprises depending on their phase of development

There is a high correlation of the life cycle of the product with the phases of the life and financial cycle of the organization (for a monoproduit enterprise, they coincide). This cycle begins with the implementation of an investment project, then the organization reaches the threshold of profitability (zero profit), then accumulates a reserve of financial strength and implements the next investment project.

Enterprises can be also grouped into four categories in relation to the innovative activity. Simultaneously the enterprises which belong to some specific groups require different approaches on behalf of crisis management. These groups include enterprises-explorants, enterprises-patients, enterprises-violents, enterprises-commutants.

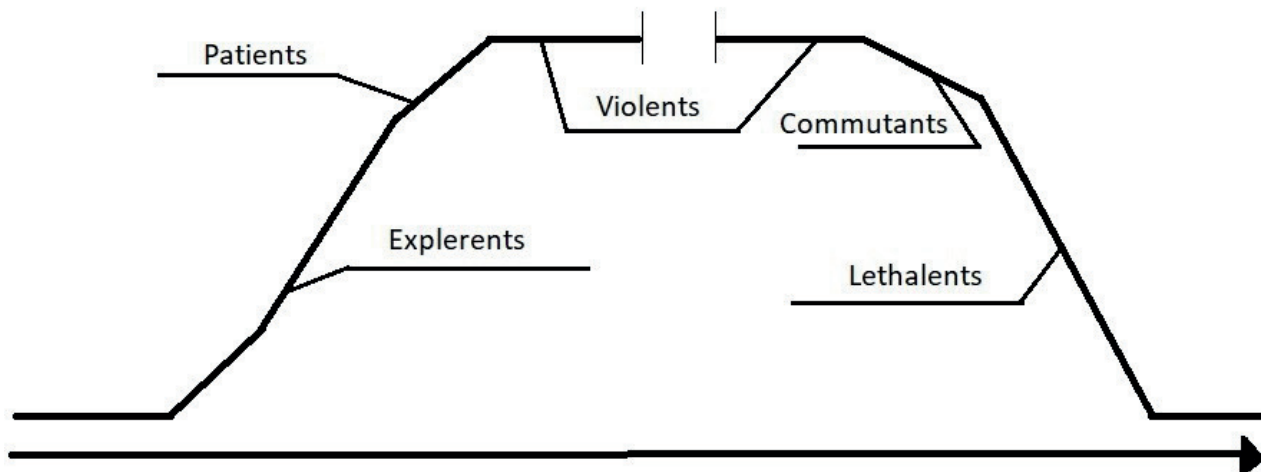


Figure 7. Groups of enterprises in relation to the innovative activity

Explorers are companies that specialize in creating new or radical transformations of old market segments. Exploratory firms are called “pioneer” because they promote innovations to the market. Small in size and volume of working capital, *explorers* work from the beginning of production at the pre-investment stages. When a market-attractive innovation is already created, the exploiter forms an alliance with a large firm to replicate the innovation. An alliance with a powerful company (even under the condition of absorption and subordination) often allows them to escape crisis and achieve favorable conditions. The choice of such a partner depends on the specifics of the consumer.

Firms focused on a narrow segment of the market are called *patients*. They mostly satisfy the needs formed under the influence of fashion or advertising. These companies operate at the stages of growth in production output and at the same time at the stage of decline in inventive activity. Requirements for the quality and volume of products of these firms are related to the problems of conquering markets. There is a need to decide on carrying out or stopping development, on the expediency of selling and buying licenses. Despite the profitability of the activity, there is a probability of making the wrong decision, which will lead to a crisis, so in such firms there is a position of full-time crisis manager who assesses risks.

Violents operate in the field of large standard business – organizations with an aggressive strategy, large capital, and a high level

of technology development. Violents specialize in large-scale and mass production of products for a wide range of consumers with average demands for quality and, accordingly, with an average level of prices. Violent's anti-crisis policy requires making decisions about the timing of setting up production (including the purchase of licenses), withdrawal of products from production, investment and expansion of production, replacement of the equipment park. In such firms, the position of crisis manager is necessarily provided.

Commutant companies operate in the field of medium and small business, focusing on meeting local needs. They operate at the stage of decreasing demand for products, that is, at the final stage of the life cycle. The anti-crisis policy of commutants requires making decisions about the timely introduction of products into production, technological features, the expediency of changes in accordance with the requirements of specific consumers.

There are also firms which are called *lethalents*. They can be characterized as the destructuring firms with prospected termination of existence in current form. Lethal companies appear due to the impossibility of their effective functioning in given conditions. The anti-crisis measures include diversification with a complete change in the activity profile and a complete or partial replacement of former technological processes, as well as a change in personnel. Naturally, such deep changes can give rise to a whole range of complications of a very different nature, including market positions.

In the table 4 we present characteristics of competitive strategies.

Table 4. Characteristics of competitive strategies

Strategy type	Production	The size of the organization	Sustainability of the organization	R&D expenditures	Competitive advantages
Violent	Mass	Big	High	High	High productivity
Patient	Specialized	Large, medium, small	High	Average	Adaptability to the market
Commutant	Universal	Small	Low	Low	Flexibility
Explorant	Experimental	Medium, small	Low	High	Advancement in innovations

For the management of an enterprise, knowledge about the crisis, its possible manifestations in the life of the system serve as the basis for the development of technologies to prevent or mitigate negative and enhance positive consequences. This is the problem of ensuring the stability of the state at certain stages of development and the stability of the development of the organization as a whole. Development cannot be crisis-free, but at the same time development can be stable. And there is no paradox here.

This is observed in those cases when the crisis does not carry a destructive potential, but serves as a renewal and a new surge of positive properties. Such a trend depends on management of enterprises considering their life cycle stage. More precisely, anti-crisis management technologies, which are aimed at predicting the crisis at different stages of life cycle, mitigating its negative manifestations and turning it into a new stage of positive development.

3. Driving forces of crisis management of enterprise

Management of the life cycle of an enterprise (organization) requires the identification of internal and external processes that have an impact on it, that is, the driving forces. The main driving forces usually include all types of innovations, mechanisms of internal and external competition, changes in demand, investment, state policy, changes in the enterprise management system, changes in costs, changes in personnel qualifications, growth of knowledge about the environment and the tools of influence on it, crisis phenomena of different types, etc.

The analysis of the driving forces is to determine which factors contribute to the development of the object and in which direction and which impede its development, lead to decay and elimination, while determining which of the available factors are in the category of controlled or unmanaged.

The concept of the life cycle applies both to individual enterprises and to the branches as a whole. Enterprises and industries are in a certain interaction. For example, if the industry's life cycle goes through the growth phase, an individual company can enter such an industry without increasing competition by choosing a market share, and the sectoral growth does not necessarily have the same effect on individual entities of the enterprise.

The industry life cycle is a long sequence of certain stages of development of the enterprises of the industry, considering the complex conditions of the formation of demand for the industry's products and the technical/technological possibilities of satisfying it, the competition of the participants and resulting in opportunities for growth and obtaining monetary benefits.

Market place	Life Cycle Stage			
	Initial	Rising	Mature	Aging
Dominating	Invest quickly according to the market demands	Hold positions. Hold the market share	Hold positions. Develop with the industry	Hold positions.
Powerful	Invest with the velocity dictated by the market	Try to improve the situation. Increase the proportion	Hold positions. Develop with the industry	Hold positions or summarize
Favorable	Increase your market share partly or fully	Try to improve the situation. Increase the proportion selectively	Waiting or stabilizing. Try to protect yourself	Summarize or go gradually
Unstable	Approach conquests selectively	Find your niche and defend yourself	Waiting or stabilizing. Try to protect yourself	Go gradually or immediately
Weak	Leave the market	Reconstruct activities or go	Reconstruct your business or go gradually	Go immediately

Figure 8. Strategic decisions based on the life cycle of the products and market share possessed by the enterprise

In certain manifestations of the industry, the cycle is similar to the life cycle of the product produced within the industry, but not identical to it. The industry cycle should be distinguished from the business

cycle, which is shorter and characterized by changes in interest rates and economic growth rates (fig.8).

The “maturity” of the industry leads to an increase in the influence of individual enterprises, which are expanding their production, increase sales. Because of this, there is a redistribution of the market, the rest of the enterprises are suffering losses. Decaying industries are industries that produce products that are not in demand and have no prospects for further development. At the same time, it is necessary to distinguish between the causes of such a decline - the loss of demand or the temporary difficulties of the objects of influence, you can choose adequate management tools, to develop appropriate mechanisms for regulating the company's business.

A mandatory element of industry analysis is the assessment of the degree of interrelationship between the industry and the economy (business cycle). An important question that worries crisis analysts is how economic growth in general (macroeconomic factors) and the dynamics of individual industries are related. During periods of economic growth, there are industries that grow faster than the growth rate of the economy, and there are those that develop more slowly. On the other hand, the depth of the drop-in revenue and operating cash flows in different industries under the influence of macroeconomic shifts can also be different.

From the point of view of the relationship between industry growth rates and macroeconomic factors, three groups are distinguished:

“growth industries”, “defensive industries” and “cyclical” ones. At various stages of the business cycle, companies from various industries receive investment attractiveness and can escape possible crisis.

Companies in “growth industries” begin to grow rapidly as the economy grows, and their growth rates in revenue and cash flows often closely follow changes in the macro economy. "Growth industries" are formed by activities related to communications (for example, fixed and mobile communications, the Internet) and construction.

Growth rates of companies in “defensive industries” are less sensitive to the phases of the business cycle. The spheres of activity focused on satisfying the basic needs of the population belong to “protective industries”. Profits and share prices of these industries are less sensitive to macroeconomic changes than other areas of activity. Examples include food and light industry, pharmaceuticals, production of hygiene and cosmetics products, health care, housing and communal services, and energy. Companies in these industries do not show anticipatory growth in periods of economic growth, but they are not prone to decline in periods of economic activity decline.

Cyclical industries (automobile manufacturing, aircraft manufacturing, instrument manufacturing, household appliances, financial sector) are most dependent on the state of the economy as a whole. They react to ups and downs to a greater extent than the market.

The concept of the industry life cycle is an attempt to reflect the cumulative impact on the cash flows of companies in the industry of

such factors as: currently adopted production technology and used assets; the structure of costs (for example, the prevalence of costs for electricity or labor); concentration of companies in the industry and degree of competition; innovative activity; state regulatory measures taken (licensing, requirements for coordination of individual decisions, etc.); availability of used resources, etc.

Getting to one or another stage of the industry cycle allows the company to build forecasts of demand for manufactured products or services, necessary capital investments both in material assets and in research and development; dynamics of costs and profits, cash flows. As a result, each stage of the industry life cycle corresponds to its level of profitability and return on investment. Four stages of the life cycle of the industry are usually distinguished: 1) birth; 2) growth and consolidation; 3) maturity and 4) decline.

The concept of the company's Life Cycle allows you to focus on the crisis points of the life cycle, track changes in them, and take timely measures to prevent (mitigate) crises.

The main conclusion from the model is as follows: there are no human-made systems that would keep the look unchanged for more or less long time. They are “initial”, “rising”, “mature” and “aging”. This process can be influenced if you understand the mechanisms, the “driving forces” under which this process takes place.

Topic 4. INFLUENCE OF THE EXTERNAL ENVIRONMENT ON THE ENTERPRISE

1. Expectations of “crisis phenomena” at the enterprise.

Crisis-forming factors

2. “Normal” and “crisis” situation at the enterprise

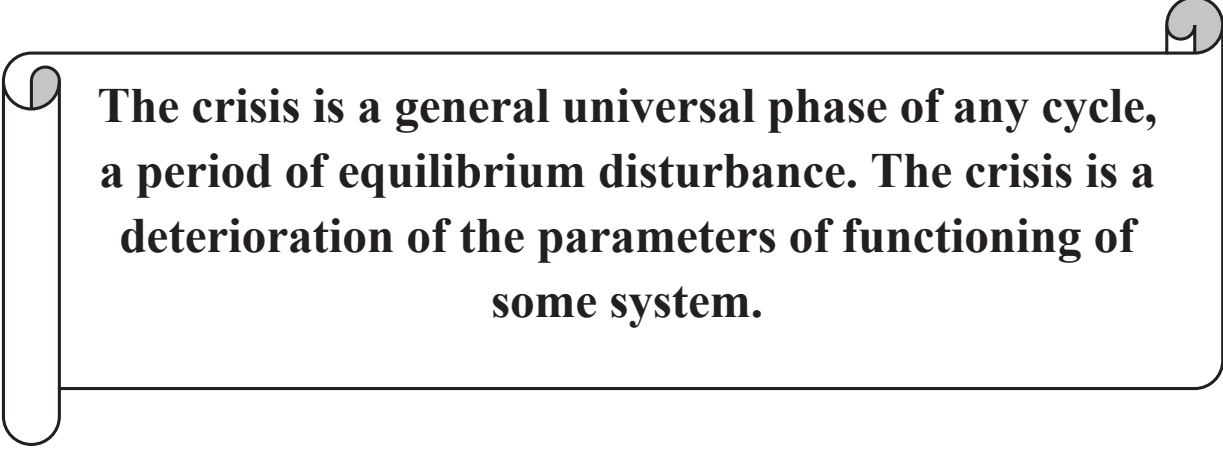
3. Managed and unmanaged processes of anti-crisis development of the enterprise: risks in crisis management.

Key words:

**crisis phenomena, crisis-forming factors,
“normal” situation, “crisis” situation, risks, anti-
crisis development, crisis expectations**

1. Expectations of “crisis phenomena” at the enterprise. Crisis-forming factors

The term “crisis phenomena” is associated with the following categories: failure, conflict, crisis situation, crisis, disaster or loss, extreme situation, catastrophe, threat, unexpectedness, etc.



The crisis is a general universal phase of any cycle, a period of equilibrium disturbance. The crisis is a deterioration of the parameters of functioning of some system.

Depending on the nature of the economic downturn, the coverage of different spheres or sectors of the national economy distinguishes between the following types of economic crises:

Cyclical crises are periodic recessions of social production, which cause paralysis of business activity in all spheres of the national economy and give rise to a new cycle of economic activity.

Intermediate crises are periodic social production recessions that arise, which at the time interrupt the stages of recovery of the national economy. They do not give rise to a new cycle and have a local character. Structural crises are associated with a gradual and prolonged increase in intersectoral disproportions in social production and are characterized by inconsistency of the prevailing structure of social

production with changed conditions and the efficient use of resources. They cause long-term shocks and require a long period of adaptation to the new conditions for their solution (the energy crisis of the 1970's of the 20th century raised prices 4-5 times and led to the switch to energy-saving technologies).

Partial crises are associated with a decline in economic activity within large areas of activity. These are money circulation and loans, the banking system, stock and currency markets (the global currency crisis of the 70's of the XX century and the transition to a floating rate system).

Sectoral crises are characterized by a decline in production and the curtailment of activity in one of the industries (for example, in the coal, steel, textile industry).

Seasonal crises are due to the influence of natural and climatic factors that violate the accepted rhythm of economic activity (late spring for rural and communal services).

World crises are determined by the coverage of individual industries on a global scale, and the entire world economy.

Common to all these diverse phenomena is that in case of their onset, the leaders of the organizations have reason to expect the following negative consequences: losses; dismissal due to loss of controllability of the enterprise; replacement of the owner or loss of ownership; raising the level of conflict in the team; the destruction of the production system, the loss of well-established connections, etc.

As for the crisis management at enterprise, most of the existing concepts of management nowadays divide the approach to the enterprise as an “open” system, which constantly interacts with individual elements of the environment - other enterprises, banks, organizations belonging to socio-political and economic institutions of the state, local authorities, etc., supporting a more or less steady state in order to survive in constantly changing conditions. One of the most important tasks faced by managers is to identify the crisis factors that have the most significant impact on the organization. After all, the parameters of the environment - a unique combination of factors that are in constant motion.

In identifying approaches to describing the structure of the organization's environment, it is necessary to consider two basic concepts: structural (non-hierarchical and hierarchical) and dynamic, embodied in the corresponding model.

Structural models. The class of non-hierarchical models is based on the idea of the presence of several interrelated and non-subordinate elements located outside the enterprise (organization) and in one way or another affect the definition of its goals, the allocation of resources and the formation of the place of the enterprise (its image) on the market

The hierarchical concept of the environment has developed in many works of modern experts in the theory of management. The most famous authors of the models of this type are, in particular, experts from the consulting group BCG, M. Porter and others. There are many

classifications of external factors. So, F. Kotler believes that the external environment (macro-environment) is characterized by six major groups of factors: demographic, economic, natural, scientific and technical, political and cultural factors.

The classification of factors that may lead to a crisis (bankruptcy) in an enterprise is dominated by the approach according to which these factors are divided into two groups: *external* (factors that the company can not influence at all or has little influence) and *internal* (factors that as the rule depends on the organization of the enterprise itself). External "crisis" factors include rising inflation, instability of the tax system, imperfection of regulatory legislation, lowering real incomes, rising unemployment, reducing the volume of the domestic market, increasing monopoly in the market, instability of the foreign exchange market, increasing supply of goods-substitutes, political instability, natural disasters. Internal factors that can lead to a crisis in an enterprise can be high level of commercial risk, insufficient knowledge of market conditions, ineffective financial management, imperfect management of production costs, inflexible management, aging and deterioration of fixed assets, low level of labor productivity, high energy consumption, congestion of objects of social sphere, low competitiveness of products, dependence on a limited circle of suppliers and consumers. One of the most well-known methods for analyzing the organization's environment is SWOT-analysis. In the context of crisis management, students should pay attention to the so-called crisis field, that is, the

field, which combines environmental threats with the weaknesses of the enterprise.

In order to achieve the main goal of crisis management - ensuring the survival of the enterprise in the long run - it is necessary to predict the trends in the development of threats from the environment in order to develop adequate measures for short-term and long-term crisis plans and programs.

Dynamic models are based on studies of changes in factors that characterize the environment in time, that is, the time in such models - the most important characteristic. Often, these models characterize phenomena that are cyclically repeated.

2. “Normal” and “crisis” situation at the enterprise. Diagnostic of crisis at the enterprise

Defining a “normal situation” at an enterprise is the starting point for identifying the symptoms of a crisis. It is against the background of the characteristics of the normal situation, any deviation from it can be considered as the emergence of a special, emergency or non-standard situation. Any normal situation can be considered as a balance of chances and threats (which objectively exist in the environment and subjectively appreciated by the leaders of the enterprise), which to a certain moment are in a latent (latent) form.

The normal situation is:

- a situation in which the negative situation and measures to mitigate or overcome them are in a balanced state.
- balance of chances and threats, balanced measures, considering the strengths and weaknesses of the enterprise for a certain period of time.

Under the “normal state” of an enterprise it is necessary to understand its functioning, which ensures the achievement of the main objectives of the enterprise (organization). First of all, such goals are: production of products (services) of the proper quality to meet the needs of the target group of consumers, which provides the company with the necessary level of competitiveness and a stable (strong) position in the market, and therefore - sufficient level of profitability and profitability. The achievement of the "normal state" at the enterprise is possible by balancing crisis phenomena (situations) and measures to prevent or mitigate them.

Any crisis situation is characterized by the following parameters:

- the presence of threats to the most important goals of the organization;
- a shortage of time (decision makers have not enough time to handle the crisis);
- The effect of accidents for those responsible for overcoming the crisis;
- external pressure on decision makers.

The crisis situation is not only the coincidence of adverse factors, but also the general tendency inherent in agents operating in a market economy. In the process of diagnosing a problem at the enterprise, it is necessary to decide how to solve it. For quick anti-crises solutions, it is necessary to provide clear vision of the state of the enterprise.

In the diagnosis of crises at the enterprise, two stages are distinguished:

1) establishing whether the object belongs to a certain class or group of objects;

2) identifying the differences between the object being diagnosed and its own objects class by comparing its actual parameters with the basic ones.

The first stage - the stage of qualitative identification of the object - aims to define such parameters inside the object that are common to some set of objects.

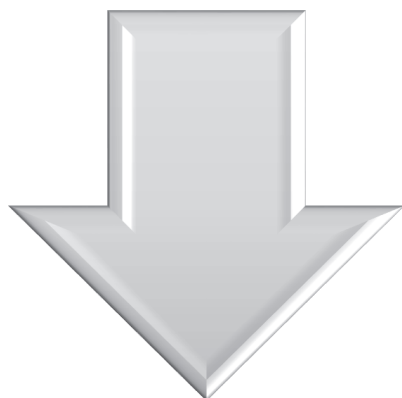
The second stage is the stage of quantitative identification of the object. For this use the basic parameters of the diagnosis, which are defined as deviations actual from basic. According to the goals and tasks of diagnosis, the state of the object can be evaluated at a certain point in time. This option is called diagnostics of static state. If you need to evaluate the state of the object during a certain time, diagnosis of the process is carried out. A sign that makes it possible to carry out diagnostic research, is the organization of the diagnosis process itself. In diagnostics it is necessary accurately assess the real need for

choosing a given form of research and correlate it with the complexity and scale of the object of the diagnosis. The diagnosis is based on comparison. In order to establish deviations from the normal state, a standard or a set of groups of parameters should be compared (qualitative and quantitative characteristics) with a basis of comparison.

It is necessary to carry out a diagnosis of the crisis state of the enterprise at certain stages. At the same time, distinguish between the following types of diagnostics:



Carrying out **express diagnostics** of the crisis state, the main purpose of which is early detection of signs of crisis development of the enterprise and preliminary assessment the scale of its crisis state.



Fundamental diagnosis of bankruptcy, which is carried out on the basis of methods of factor analysis and forecasting and characterize the evaluation system parameters of crisis development.

The process of diagnosing a crisis state of enterprises

First stage	Creation of research information base
Second stage	Express diagnosis of a crisis situation and the threat of bankruptcy of enterprises.
Third stage	Integrated assessment of the crisis state of the enterprise, aimed at deep understanding of the current situation at the enterprise.
Fourth stage	Forecasting the consequences of bankruptcy of enterprises.
Fifth stage	Research and assessment of the company's survival potential.
Sixth stage	Generalization of the results of diagnosing of the development of crisis enterprises.

First stage. Creation of research information base. Carrying out of diagnosis of the crisis requires the use of a certain set of information on internal and external factors in relation to results and prospects of activity of the enterprise, its financial and property situation.

Second stage. Express diagnosis of a crisis situation and the threat of bankruptcy of enterprises. Determination of the depth of the crisis state of the enterprise and the level of threat of the emergence of a bankruptcy situation, in turn, is a complex diagnostic research

Fundamental (in-depth) analysis of crisis phenomena and threats of bankruptcy of the enterprise is carried out for confirmation and deepening of the conclusion regarding the financial condition of the enterprise - the object of the study and the threat of its bankruptcy.

Determination of the main factors of the emergence and (or) deepening of the crisis state of the enterprise. Determination of the list of crisis factors and impact assessment of each of them for the emergence and deepening of the crisis can be carried out expertly (based on the construction of logical chains of influence of individual economic phenomena) or on the basis of simulation modeling (for quantitative assessment). The result of this stage of work should be a list of the most negative and positive factors of an external and internal nature, formed by degree of influence (rating). Predominance of external crisis factors, which makes it impossible to localize at the level of the enterprise, increases the threat of deepening the crisis and the probability of a bankruptcy situation.

Third stage. Integrated assessment of the crisis state of the enterprise, aimed at deep understanding of the current situation at the enterprise. This assessment should be laid as a basis for the development of an anti-crisis strategy and a list of specific measures. The method of integral evaluation makes it possible to combine many indicators into one indicator different in name, units of measurement, weight and other characteristics. Integral assessment is defined in many cases by a possible one, because as a result of various types of analysis

large arrays of information are obtained that complicate the procedures for final decision.

Fourth stage. Forecasting the consequences of bankruptcy of enterprises. The tasks of this stage of diagnostic research are assessment of the probability and possible consequences of deepening the crisis to the last phase.

Fifth stage. Research and assessment of the company's survival potential. Rating of opportunities to restore the normal economic and financial activities of the enterprise and ensuring its further successful development is one of the most difficult and creative tasks of crisis diagnosis.

Sixth stage. Generalization of the results of diagnosing of the development of crisis enterprises. Diagnostics is completed by the formation of general conclusion (report), which summarizes the results of the work carried out. The general report based on the results of the diagnosis should be done in a systematic form and contain all the obtained results of the study, namely: the nature of the manifestation of the crisis phenomena and their impact on the company's activities; probability of occurrence of the situation of bankruptcy and its time parameters (expected term); the degree of the crisis and its scales; causes and factors that led to the emergence of crisis phenomena and will help of what measures the enterprise has managed to overcome the crisis.

Thus, it can be concluded that economic diagnostics is considered as a comprehensive study, diverse in its tasks and place in the management system. There is a diagnosis of the crisis in the development of the enterprise complex economic research that has its own logic and structure.

The diagnostics of the state of enterprise can serve as a basis for preparing forecasts concerning the future development of the enterprise. A forecast is a scientifically based statement about the possible state of an object in the future, as well as alternative ways and terms of achieving this state. Forecasting is carried out by various methods.

Forecasting methods are a set of techniques and assessments that make it possible, based on past (retrospective) internal and external relationships inherent in the object, as well as their changes, to make judgments of a certain probability regarding the future development of the object. Today, the number of known methods and techniques used for forecasting is more than 200.

For an approximate idea of the “specific weight” of the most important forecasting methods in the practice of forecasting development, you can refer to the consolidated table of the American forecaster J.McGale, who surveyed several hundred scientific research institutions of different countries of the world, specially engaged in forecasting. Thus, it was possible to determine the degree of spread of this or that forecasting method.

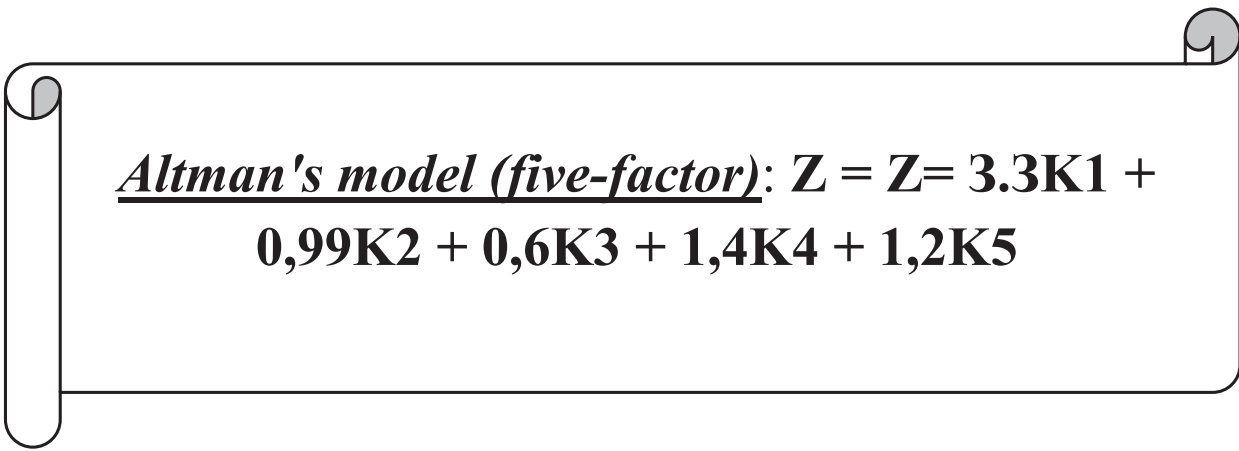
Table 5. Spread of forecasting methods

Forecasting methods	Scientific institutions, %	Individual scientists, %
Panel surveys	10.0	8.0
Extrapolation	8.8	8.5
Expert evaluations	8.7	8.2
Statistical models	8.4	6.5
Brain attack	8.1	7.6
Compilation of scenarios	7.9	10.6
Simulation models	6.2	5,6
Historical analogies	5.9	7.7
Probability estimates	5.8	5.9
“Delphi technique”	5.5	5,6
Operational models	5.1	4.4
Interpolation matrices	3.9	3.9
Causal models	3.9	4.1
Network models	2.8	2.7
Tree of goals	2.4	2.5
Game models	2,3	2.5
Mapping	2.1	2.4
Other methods	2,2	3.3

The choice of forecasting methods depends on the following factors:

- goals of the forecast, its tasks;
- the period for which the forecast is made;
- specifics of the forecasting object;
- reliability and completeness of the source information;
- limiting forecasting factors (resources, algorithms, programs, etc.).

New York University professor Edward Altman developed a model that makes it possible to divide business entities into those that work stably and those that are potentially bankrupt with sufficient probability. E. Altman built his model on the basis of a study of the financial status and results of economic activity of 66 companies, calculating 22 financial ratios and using only the five most important ones for his model. These coefficients characterize from different sides (comprehensively) the profitability of capital and its structure.



Altman's model (five-factor): $Z = Z = 3.3K1 + 0,99K2 + 0,6K3 + 1,4K4 + 1,2K5$

K1 — characterizes the profitability of fixed and working capital; is determined by dividing the amount of balance sheet profit by the total value of assets; with a certain degree of convention, it can be called an indicator of the profitability of production;

K2 — reflects the profitability of the business entity and is calculated as the ratio of net revenue from the sale of products and the total value of the company's (organization's) assets;

K3 — determines the capital structure of the firm; calculated as the ratio of equity capital (at market value) to loan capital (the sum of short-term and long-term liabilities);

K4 — reflects the level of net profitability of production (activity); is calculated by dividing the amount of reinvested profit (the amount of the reserve, funds for social purposes and targeted financing, retained earnings) by the total value of the firm's assets;

K5—characterizes the capital structure and is defined as the ratio of own working capital to the total value of the business entity's assets.

According to Altman's five-factor model:

If $Z < 1.81$, the probability of bankruptcy is very high

If $1.81 < Z < 2.7$, the probability of bankruptcy is high

If $2.7 < Z < 2.9$, the probability of bankruptcy is possible

If $Z > 3$, then the company is financially stable, and there is currently no threat of bankruptcy

U. Beaver's system of indicators is based on the statement that the values of financial indicators of potentially financially stable and

financially insolvent enterprises will differ significantly even before the onset of a financial crisis.

Beaver's model:

$$\mathbf{Kb} = (\mathbf{Net\ profit} - \mathbf{Amortization}) / (\mathbf{long-term\ liabilities} + \mathbf{current\ liabilities})$$

$$\mathbf{Kb} = (\mathbf{Net\ profit} - \mathbf{Amortization}) / (\mathbf{long-term\ liabilities} + \mathbf{current\ liabilities})$$

For permanent enterprises **Kb = 0.4 - 0.45;**

For companies that go bankrupt after 5 years **Kb = 0.17**

For enterprises that will go bankrupt after 1-year **Kb = -0.15**

Statistical models of bankruptcy forecasting make it possible to state with a certain probability whether the enterprise will go bankrupt or not during a certain period. Thanks to statistical models, it is possible to obtain a numerical indicator of the probability of bankruptcy.

3. Risks in crisis management.

Any management to a certain extent should be anti-crisis and, especially, become an anti-crisis as it enters the band of crisis development of the organization. Ignoring this provision has significant

negative consequences, considering it contributes to painless, "velvet" crisis situations.

All processes occurring in the organization can be divided into two groups: managed and unmanaged. Managed processes are processes that are subject to change in a certain direction with conscious influence on them. Unmanaged processes include processes it is impossible to change for one reason or another their direction and character. They proceed according to their own laws. As a result of these processes, what will happen will still happen.

Managed and unmanaged processes are in a certain ratio and state of dynamic changes, which reflects, among other things, the perfection and art of management. Managed processes under certain conditions can become unmanageable and vice versa. The prevalence of unmanaged processes leads to anarchy and crises, the prevalence of managed processes is limited by the effectiveness of management and, in appropriate circumstances, also leads to crisis situations. Thus, bureaucracy in the negative forms of its manifestation gives rise to social tension, conflict situations, and the reduction of the effectiveness of management.

Anti-crisis management in a large part of the solvable problems is risky. In crisis situations, there are many risks of a variety of content, sources of manifestation, magnitude of probability and size of possible losses and negative consequences for this business, and sometimes the economy as a whole. All this leads to the need for a risk management

system with the involvement of qualified "risk managers" - specialists in risk management.

The concept of risk is extremely old. The existence of risk is associated with the impossibility in many cases of predicting the occurrence of certain events that may not depend on our desires, actions and deeds. Despite the fact that risk is present in almost all spheres of human activity, it is quite difficult to define it accurately. In the general case, risk is understood as the possibility of some adverse event, which entails the occurrence of a number of losses (for example, physical injury or loss of property).

Economic risk, i.e. losses, the probability of which is associated with uncertainty, as well as possible benefits and profits that can be obtained only in the case of risk-taking activities. Some risks are predictable. Sometimes we cannot even assume the existence of others.

Risks in the implementation of entrepreneurial activity are uncertain events or conditions, the occurrence of which negatively or positively affect the results of entrepreneurial activity, such as content, schedule, cost and quality. A risk can be caused by one or more causes and, if it occurs, can affect one or more aspects.

The reasons for the risks may be the existing uncertainty about the limitations or conditions that create the possibility of negative or positive consequences.

For example, the reason for the risk may be the need to obtain permitting documentation in the field of environmental protection or

the dismissal of team members involved in business activities. The risk in the first case will be a delay in issuing a permit by the controlling body, and in the second case, in the case of a favorable opportunity, other performers who may be involved in the work of the enterprise may bring even greater benefits in the implementation of entrepreneurial activities.

In anti-crisis management the processes of preventing risks by checking their compliance to existing rules, laws, restrictions are called "compliance control". The responsibilities of compliance managers include monitoring that the company works in strict accordance with the laws of the state and its policies. But objectively, the task of crisis management is much broader: to work longer and more effectively on the market, to prevent, soften or escape possible crisis. Anti-crisis management involves the formation of a safety culture in the company. An established anti-crisis management system is a "safety cushion", without which it is difficult to withstand a crisis.

As a matter of fact, the concepts of risk and uncertainty cannot be equated:

- There are certain predictable outcomes in risk management. Even if we don't know them for sure, we can model them with some degree of probability.
- Uncertainty is basically unpredictable.

Assuming possible risks, you can plan, build a strategy at your own discretion. You can prepare for risks, even several, in advance and

develop scenarios depending on what might happen. And you have the opportunity to choose from different, but still logical scenarios. And with uncertainty, you can't know ahead of time what will happen. In accordance:

- In the case of risks, we are talking about compliance, that is, compliance with some norms, rules, conditions.

- In the case of uncertainty, we are talking more about “creativity”, non-standard thinking and “intuition”, which is characteristic of many successful entrepreneurs.

Crisis managers should understand how to manage risks and uncertainty in the company. Risk management and uncertainty management in the company require special approaches and skills. First, one group of people discovers what can affect the organization in the long run. These people manage uncertainty, in particular, they identify the factors and potential threats, and then they crystallize these threats. They take uncertainty factors and try to formulate specific risks based on them.

There are various types of risks in crisis management.

General risks reflect the effect of uncertainty in relation to the company in general. The most general risks of managerial activity include entrepreneurial risk, which is directly related to the production of goods and services. Different adverse changes in factors that determine output volumes, assortment, costs, revenue, etc. are possible here. There is also a commercial risk (due to the possibility of increase

in circulation costs), a financial risk (related to the capital structure of the company and the ability to timely fulfill obligations to creditors), an economic risk (related to the general economic situation in the country, a phase of the economic cycle, a decrease in the purchasing power of the population).

Specific risks differ from general business risks and are associated with specific uncertainty factors.

Risk management in the implementation of entrepreneurial activity includes processes related to the implementation of risk management planning, identification, analysis, response planning, as well as risk control in the project. The goals of risk management in the implementation of business activities are to increase the probability of occurrence and increase the impact of favorable events and reduce the probability of occurrence and weakening the impact of unfavorable events during the implementation of business activities.

We can present the main process of risk management in the implementation of entrepreneurial activities in the figure 9.

So that, the occurrence of any of these events, which are not precisely known in advance, could affect the business, its content, cost, schedule, quality or performance. Aspects of the external and internal environment of the enterprise that contribute to an increase in risk can also be considered as conditions for the occurrence of risks. Among the main tasks of crisis managers there are activities aimed at forecasting, preventing or mitigating risks.

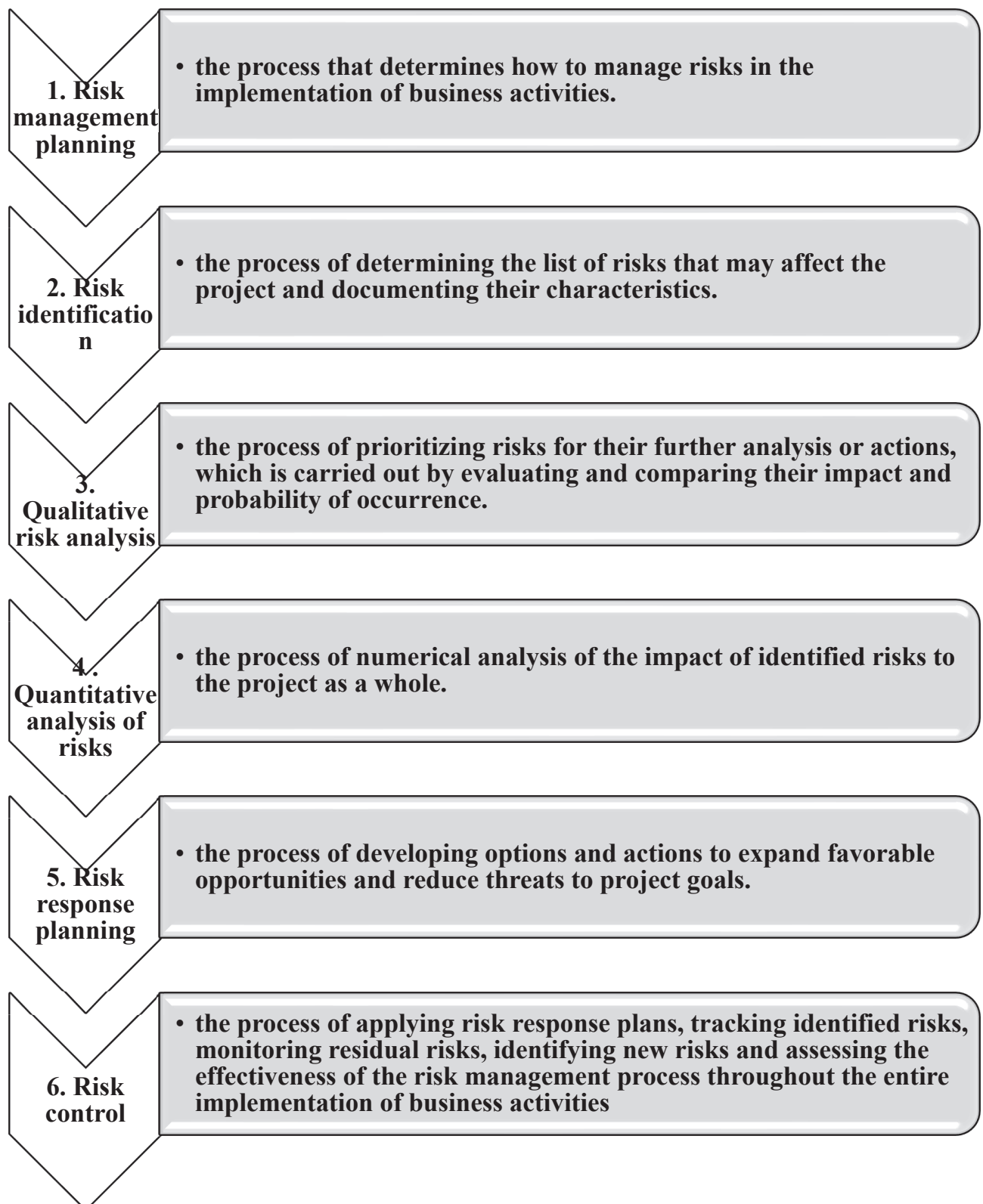


Figure 9. The main process of risk management in the implementation of entrepreneurial activities

Topic 5. STRATEGY AND TACTICS OF CRISIS MANAGEMENT

- 1. Development of strategy of crisis management**
- 2. Marketing in anti-crisis strategy**

Key words:

**crisis management, strategy of crisis management,
anti-crises strategy, SWOT-analysis**

1. Development of strategy of crisis management

More than 50 years ago in the practice of enterprise management there were no strategic principles. Only at the junction of the 60's and 70's there are new management methods and, with them, the term 'strategic management'. This is due, first of all, to changes in the business environment.

As a matter of fact, any situation in which an enterprise does not have time to prepare for change can be considered a crisis.

The term “strategy” (from the Greek. Stratos - army and back - lead) has a military origin. Initially, the strategy was understood the art of warfare, and since the wars were the most important events in the lives of people and countries, the notion of “strategic” in the sense of “most important”, “decisive” has become part of the terminology management as a whole.

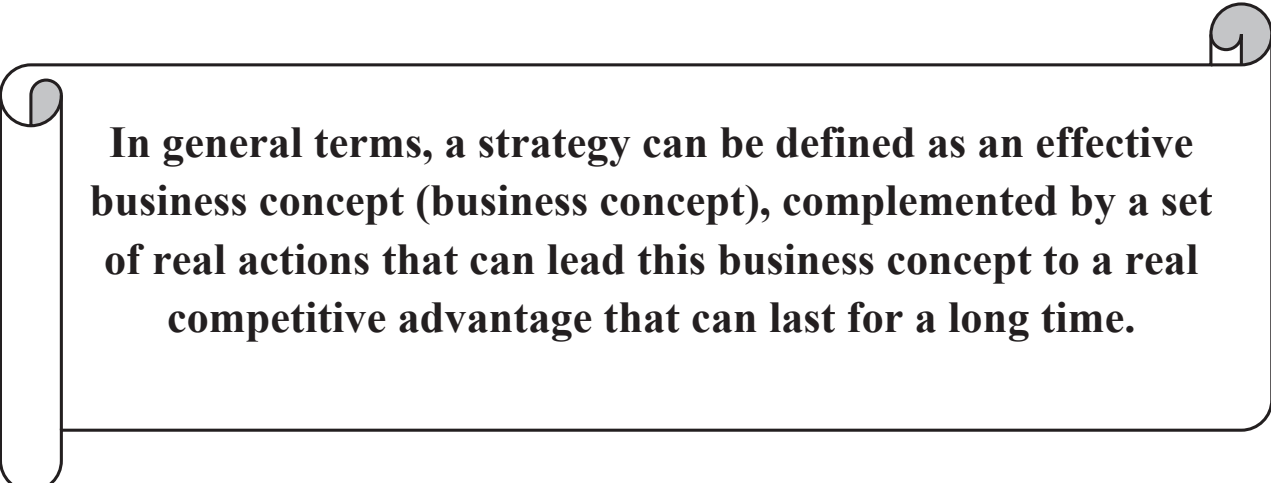
Accordingly, the term “strategic decisions” refers to decisions that are of fundamental importance for the functioning of enterprises and projects (if they are implemented) long-term and inevitable consequences.

Thus, two distinct characteristics are used as a distinctive feature of the strategic decisions: *irreversibility* and *long-term effects*. This means that the implementation of strategic decisions changes the potential of the enterprise, and returning to the previous state of the object management, if possible, then requires a lot of time, resources or effort.

In management, the strategy is considered as a long-term, qualitatively defined direction of development of the organization, concerning the sphere, means and forms of its activities, the system of relations within it, as well as its position in relation to the environment, leading the organization to the intended objectives.

The strategy can also be seen as a set of intellectual and practical efforts aimed at achieving and (or) maintaining a desirable state as a way to make a transition from the present to the desired future. The strategy answers the question of how to do it as easily and quickly as possible.

In its essence, the strategy is a multidimensional economic category that describes the technology of the company's operation in achieving certain goals.



In general terms, a strategy can be defined as an effective business concept (business concept), complemented by a set of real actions that can lead this business concept to a real competitive advantage that can last for a long time.

The concepts of “strategy” and “strategic decisions” are closely linked to the concept of “enterprise potential”.

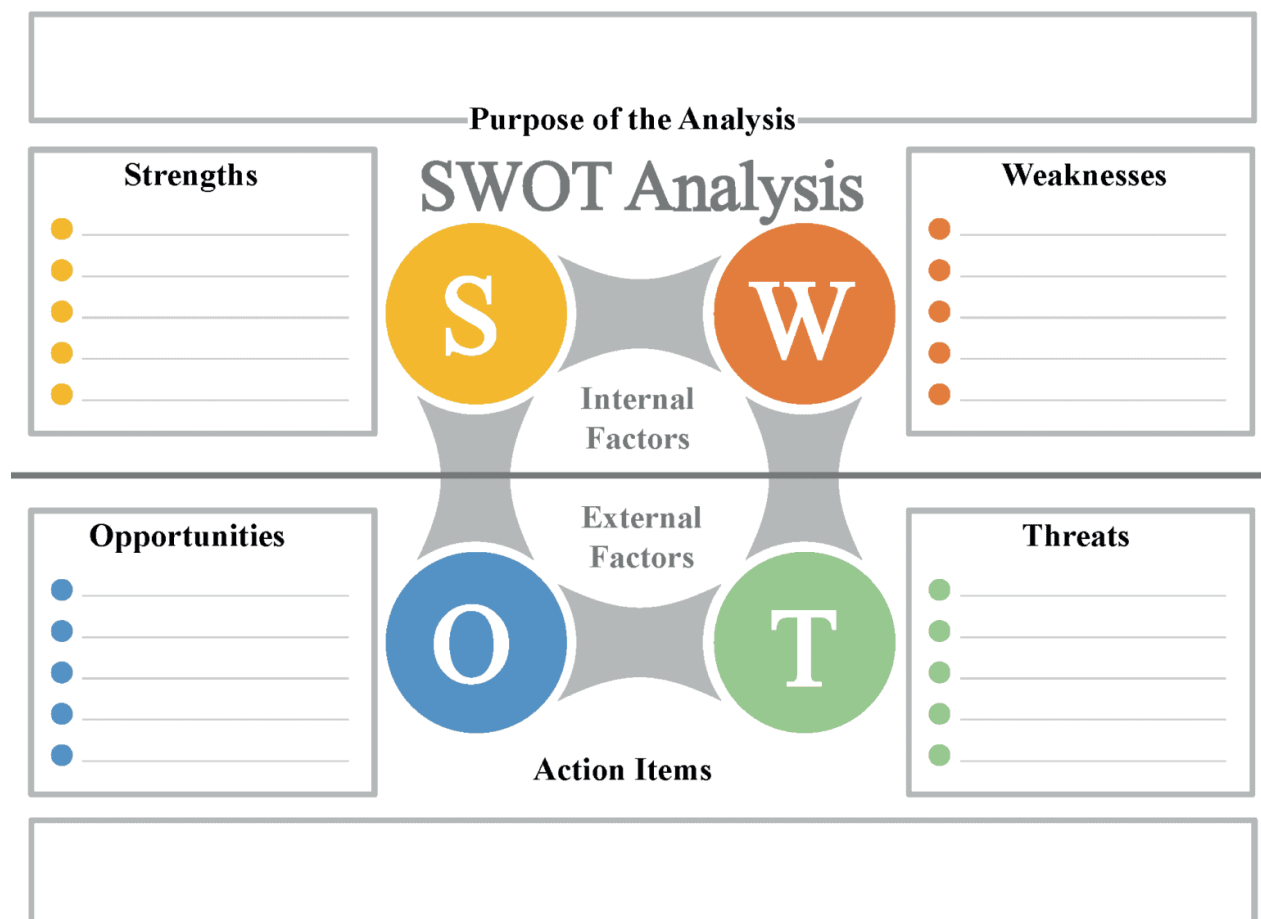
When analyzing the strategy of an enterprise, managers should focus on the following five points.

1. The effectiveness of the current strategy.

First, you need to try to determine the location of the company among competitors, then the boundaries of competition (size of the market) and the group of consumers to which the company is oriented; finally, functional strategies in the field of production, marketing,

finance, personnel. An assessment of each component will give us a more understandable picture of the strategy of the enterprise experiencing a crisis, and the assessment is based on quantitative indicators. These include the company's share in the market, the size of the market, the size of profit, the size of the loan, sales (decreases or increases in relation to the market as a whole), etc.

2. Strength and weakness, opportunities and threats for the enterprise. The most convenient and tried-and-tested way to evaluate a company's strategic position is SWOT-analysis.



Strength is what the company has achieved. It can consist of skills, work experience, resources, achievements (best product, perfect technology, better customer service, brand recognition).

Weakness is the lack of something important in a company's operation that it does not succeed in comparison to others. When strengths and weaknesses are identified, both lists are thoroughly studied and evaluated. From the point of view of strategy formation, the strengths of the company are important because they can be used as the basis of the crisis strategy. If they are not enough, enterprise managers should urgently create the basis on which this strategy is based. At the same time, a successful anti-crisis strategy is aimed at eliminating the weaknesses that contributed to the crisis situation. Market ***opportunities*** and ***threats*** also largely determine the company's anti-crisis strategy. To do this, we evaluate all the opportunities of the industry, which can provide a potential profitability of the enterprise, and threats that adversely affect the company. Opportunities and threats not only affect the state of the business, but also indicate what strategic changes should be carried out. The anti-crisis strategy should consider the prospects that match the capabilities and provide protection against threats. An important part of the SWOT analysis is the assessment of the strengths and weaknesses of the enterprise, its capabilities and threats, as well as the conclusions about the need for certain strategic changes.

3. Competitiveness of prices and expenses of the enterprise.

It must be known how the prices and costs of the company relate to the prices and costs of competitors. In this case, a strategic cost analysis is used. The method by which this analysis is carried out is called the “**value chain**”.

The value chain as a variant of the enterprise model is possible to be considered as a system subject to a management process aimed at improvement efficiency of processes and competitive advantages of the enterprise. Any chain cost, structured according to Porter's model by main and auxiliary types of activities, in the process of functioning, it is influenced by many factors, the consideration of which leads to changes in the structure of this chain, in particular by way introduction of outsourcing/insourcing solutions, redistribution of key competencies, modification of strategic goals.

3. Methodology of strategic analysis of the state of the enterprise, located in a crisis situation

1. Strategic performance of the enterprise

1) share in the market

2) the sales volume

3) the amount of profit

4) profitability of shares

5) other

2. Internal strengths and weaknesses, external threats and opportunities

3. Competitive variables

- 1) the quality / characteristics of the goods
- 2) reputation / image
- 3) production facilities
- 4) technological skills
- 5) the sales network
- 6) marketing
- 7) financial position
- 8) costs in comparison with competitors
- 9) other

4. Conclusions on the situation of the enterprise in comparison with competitors

5. The main strategic issues that should be solved by the enterprise

4. Estimation of the strength of the company's competitive position.

An assessment of the company's cost competitiveness is necessary, but insufficient. Strength of a company's position (how weak or strong it is) with respect to its main competitors is evaluated by such important indicators as product quality, financial position, technological capabilities, product lifecycle duration. Estimates show the position of an enterprise compared with competitors, thus showing where it is weak and where strong and in relation to which competitor.

5. Identification of the problems that caused the crisis at the enterprise. Managers study all the results of the state of the enterprise at the time of the crisis and determine what should focus on. Data

obtained in the study of the crisis state of the enterprise, can be systematized and presented in the following form.

6. Conclusions on the situation of the enterprise in comparison with competitors

7. The main strategic issues that should be solved by the enterprise

So that crisis manager, coordinating the company's policy in a crisis situation, must concentrate all information obtained during strategic analysis. He has to think about whether the company can escape the crisis and achieve competitive advantages within its former mission.

2. Marketing in anti-crisis strategy

The essence of marketing activity consists in the formation of the real value of demand, the impact on the consumer to motivate him to purchase the goods, in the development of real action programs of the organization in a specific market.

The main principle of marketing is the orientation of the consumer needs, their formation and maximum satisfaction. Implementation of this principle in all spheres of production and economic activity is carried out through management, which main functions are goal-setting, planning, organization, motivation and control.

The main purpose of marketing is to determine the magnitude of demand for a specific product, expressed in terms of sales and its share in the market, and marketing means to contribute to its achievement.

Among the main objectives of anti-crisis management there is the task to ensure the sustainable development of the organization in achieving its mission and goals through the use of inherent management means of influencing people for their interaction in the joint production and economic activity in conditions of uncertainty and threats.

In the study of organization as a holistic socio-economic system (corporation, company, firm), the ratio of marketing and management is considered as part of the whole.

With the help of marketing, industrial and economic organizations solve the problems of the consumer (the customer) in a complex way. Marketing effectiveness is in the sequence of actions and the complex use of the principles, methods and means of marketing influence and marketing information in the stages of the reproduction process.

These features allow you to consider marketing as an important condition and a significant reserve of anti-crisis management. In crisis management, especially in the stage of finding ways to exit the economic crisis, the complexity of the means and methods used to identify the market opportunities of the organization, its strengths and weaknesses, as well as a comprehensive analysis of a large amount of information on the dynamics of socio-economic processes, can be of great importance.



Figure 10. Specifics of anti-crisis marketing

Marketing strategies in the anti-crisis management system

Not all enterprises are able to improve their situation and get out of the crisis, but only those which possess prerequisites and opportunities that predict the deterioration of the situation in the industry and have the necessary margin of safety.

Active and passive anti-crisis marketing management include:

- *passive anti-crisis marketing management* that involves a comprehensive studying and assessment of the external environment of

the enterprise with the aim of early identification of the causes of crisis situations or additional opportunities (chances).

- **active anti-crisis management** that requires marketing managers to fulfill the tasks of operational collection of information regarding objects of the external environment related to the emergence of a crisis at the enterprise, activation of sales activities and improvement of the work of the sales service.

Table 6. Priority tasks of marketing in the anti-crisis management system

Passive anti-crisis management	Active anti-crisis management
Scanning of the market, the behavior of competitors and consumers	Monitoring of factors that have become the causes or are somehow related to the crisis situation
Analysis of the sales system and price policy of product promotion	Checking the effectiveness of the sales policy, making appropriate adjustments
Study of the stages of the life cycle of individual products	Price change to stimulate sales
Assessment of the company's strengths and weaknesses	Improvement of incentive systems for sales personnel
Preparation of strategic marketing plans, business plans, advertising campaign plans	Checking product quality, activation of advertising
	Creation of an information base for the distribution of resources and changes in the amount of production stocks

The place of marketing in the anti-crisis management system is presented in the scheme (Figure 11).

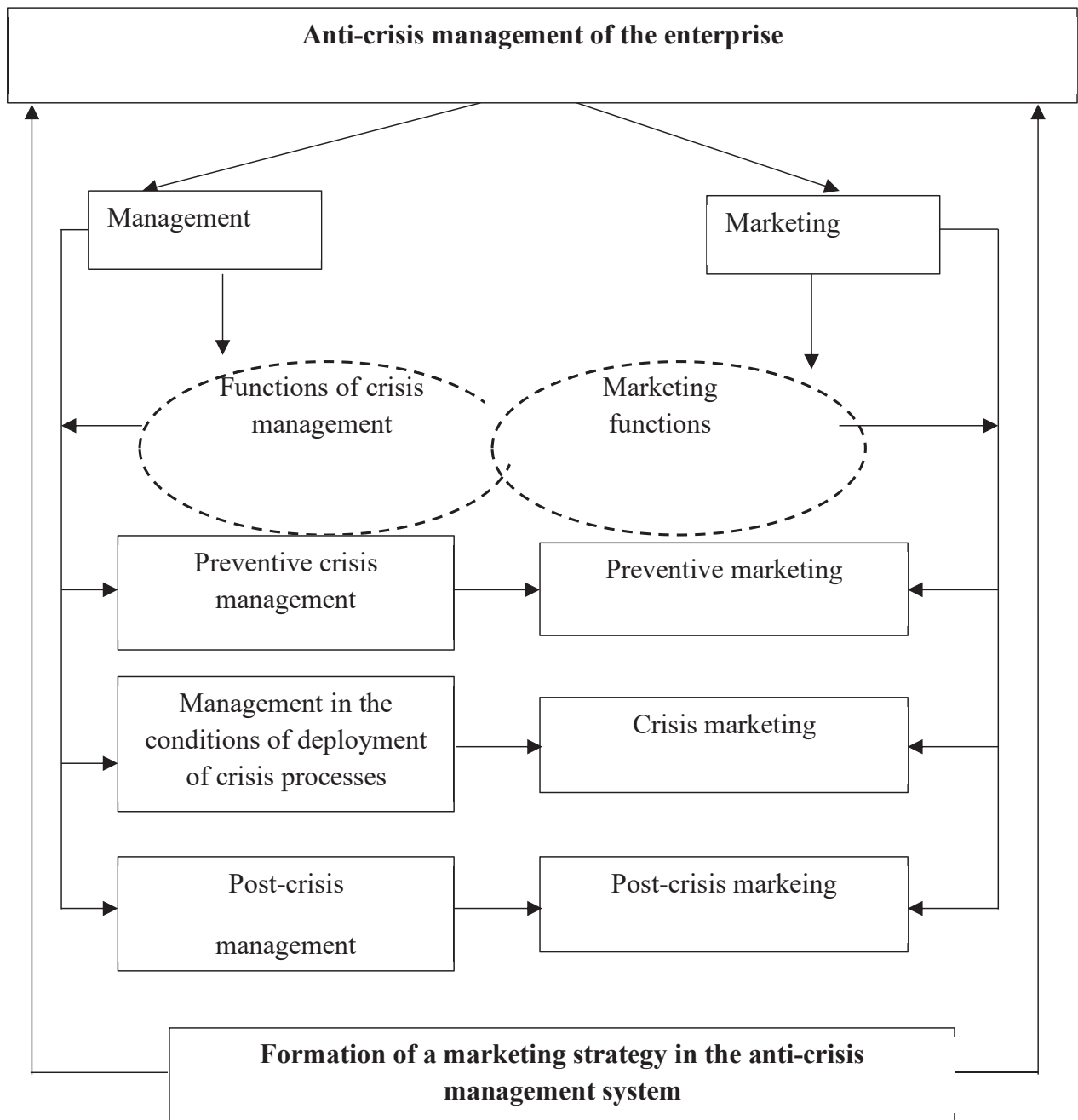


Figure 11. The place of marketing in the crisis management system

The marketing process and the factors that determine it can be presented as follows:

Stage 1. Marketing analysis: selection of target consumers that the enterprise can serve more effectively than competitors. The stage consists of the following stages: quantitative assessment of demand and its forecast; market segmentation; determination of competitive advantages; selection of target segments; product positioning on the market and analysis of competitive positioning of goods

Stage 2. Development of a marketing strategy.

Stage 3. Development of a marketing complex, which consists of a set of marketing tools used to obtain the desired response of the target market.

Stage 4. Development of a marketing plan.

Stage 5. Implementation of marketing measures. Marketing success depends on the following factors: action programs, organizational structure, decision-making systems, personnel motivation, enterprise culture.

The concept of *preventive marketing* involves the use of special tools even during the time of stable development and functioning of the enterprise. It is very important not only to search new customers, but also to keep existing ones, to create a positive image of the company, increase customer loyalty, and predict their needs and behavior.

The main tools of preventive marketing are:

brand

loyalty

public
relations
(PR)

anti-crisis
plan

During the crisis period marketing turns into **reactive**. Traditional advertising measures are put aside and the new technologies, social networks, rebranding and advertising on the Internet are actively used.

When the recovery period comes the **post-crisis marketing** continues to use the tools of preventive and crisis marketing, while adapting them to the new situation in the market, it is aimed at implementing measures to restore stable and long-term activity, uses innovative programs, and also emphasizes the strategy of growth and decentralization.

Table 7. Directions of anti-crisis management solutions

Types of marketing activity	Types of decisions
Analysis and assessment of market and marketing opportunities of the organization	<ol style="list-style-type: none"> 1. Evaluation and ranking of the factors of the marketing environment that inhibit the functioning of the organization, their neutralization. 2. Expert risk assessment of work on specific markets, determination of risk limits and conditions of uncertainty 3. Assessment of possible advantages of the organization in functioning on real markets.
Selection of target markets	<ol style="list-style-type: none"> 1. Assessment of demand and probability of market development 2. Formation of demand for the product in new market segments 3. Assessment of negative and positive factors affecting the formation of target segments and the conditions for their development.
Development of a marketing complex	<ol style="list-style-type: none"> 1. Selection of criteria for innovative solutions for profiling products 2. Selection of different price assessment methods 3. The choice of means and methods of managing the processes of bringing goods to the market and their promotion to the consumer 4. Selection of means and methods of product sales management. 5. Selection of means and methods of presentation of company services (service) 6. Evaluation of the effectiveness of communication, means and methods of the advertising campaign.
Development and implementation of marketing programs	<p>Justification of the organization's anti-crisis programs, strategic and tactical plans, business plan</p>

So that, the economy is cyclical, the stability of the enterprise is not constant, therefore anti-crisis plans that are developed in conditions of sustainable development of enterprises need to forecast the possible negative consequences of the crisis and the main tools of preventive marketing and anti-crisis management. It is advisable to develop an anti-crisis plan both during the stage of the crisis and during the period of stable functioning of the enterprise, when crisis signals are not yet recognized, but can already be predicted.

Topic 6. PROJECT APPROACH TO ANTI-CRISIS MANAGEMENT AT ENTERPRISE

- 1. Crisis management and adaptive management at the enterprise**
- 2. Project approach and anti-crisis project at the enterprise**

Key words:

crisis management, adaptive management, anti-crisis project, project approach, development of anti-crisis project

1. Crisis management and adaptive management at the enterprise

Not every project is implemented under favorable conditions. Sometimes external circumstances or internal organizational problems lead to crisis situations. In such cases, it is necessary to apply methods of crisis management.

Among the instruments of influence on the crisis situation are the most important:

- information search;
- forecasting the crisis;
- development of risk management solutions;
- analysis and evaluation of crisis situations;
- innovative strategies for crisis behavior;
- conflict resolution;
- marketing (behavior in conditions of uncertainty, external management and problems of rehabilitation);
- selection of personnel in crisis (assessment and motivation, investment planning).

In general, anti-crisis management has the same functions as ordinary management:

- Planning - the process of defining the objectives of the organization and its changes, strategies and programs of anti-crisis stabilization, resources for their achievement;

- organization - formation of optimal structure and volume of funds, management apparatus and personnel for the effective use of labor, material and financial resources;

- Motivation - a system of incentives and sanctions that stimulates the interest of the entire team and each employee in increasing the effectiveness of the organization in order to quickly resolve the crisis;

- control - prediction of deviations from the stated goals for timely and prompt introduction of changes aimed at increasing the effectiveness of anti-crisis measures.

The main task of crisis management is to efficiently generate such solutions, which would allow minimizing the negative effects with the use of minimal additional funds. This result can be achieved by creating a special crisis management system.

Crisis management should consist of the following stages:

- 1) diagnostics aimed at assessing the parameters of the crisis situation;

- 2) development of the concept of overcoming the crisis, which is aimed at developing strategic and operational measures;

- 3) implementation of this concept to eliminate the crisis and its consequences;

- 4) achievement of the planned level of normal functioning of the organization.

In turn, each of these stages is based on a series of more special steps.

For example, crisis diagnostics includes the following analysis procedures:

- recognition of deviations of the parameters of the situation from the normal;
- early detection of symptoms of a crisis situation;
- assessment of probable signs of the threat of a crisis;

- establishing causal links and forecasting possible trends in the development of the crisis, considering the types and volumes of possible losses, the possibility of losses and the approximate level of the time deficiency for the solution to the crisis situation;
- definition and evaluation of factors that influence the development of the crisis situation, establishing their interconnection and interdependence.

The results of the work at the diagnostic stage are prepared in the form of analytical assessments, forecasts, recommendations. Consequently, anti-crisis management really differs from management in the normal mode. If the whole arsenal of approaches and methods of the latter is aimed at the development and survival of the enterprise in the long-term aspect (which includes, including the prevention of crisis), then the methods of crisis management are aimed solely at overcoming the already overcrowded crisis, ensuring survival in the short-term aspect.

Implementation of project approach and anti-crisis project at the enterprise

The idea of a project approach is a systematic, organized and programmable transition from the initial state of the system to a predefined desirable and possible state, considering existing resources and given constraints.

The main peculiarities of the Project approach:

- the processes bear iterative, cycle character,

- the projects are oriented at reaching unique goals within the defined time limits

Any activities (in particular crisis prevention measures), which are planned and implemented on the basis of projects are called project-oriented activities. The peculiarity of such activity is that the goals, tasks, structure, strategy and other factors are formed on the basis of the goals and tasks of the crisis prevention project as well as creating of the project environment

The procedure of project management (in particular crisis project) is done in accordance with STANDARDS OF PROJECT MANAGEMENT

- According to the methodology of PMI (Project Management Institute PMI);
- According to the methodology of IPMA (International Project Management Association);
- According to the methodology of PRINCE2 (PRojects IN Controlled Environments).

Some interesting facts:

According to the results of scientific studies the majority of the world leaders in politics, business, art, sport are people possessing the project type of thinking, i.e. they possess the technology of project management.

Some statistics: project management exists in 74 % of organizations, 34 % of the processes in these organizations are project-oriented activities, project system of organization provides up to 20 % of business rise volume.

The project is a unique temporary activity, which involves the coordinated implementation of interrelated work for the achievement of certain goals in terms of time and resource constraints.

Specific characteristics of the project:

- target nature;
- coordination of activities;
- limited timeframes and other resources;
- concentration of responsibility;
- uniqueness (uniqueness);
- temporary nature;
- innovation;
- potential conflict.

Program is a set of projects, interrelated with the general purpose and content

Portfolio of projects is a set of projects and programs that are executed at the same time in the organization, competing for its resources

Project Life Cycle is:

- the sequence of phases of the project necessary for the achievement of the specified goals, from the moment the project concept (its initialization) was formed up to its completion (including realization and operation);

- sequence of phases of the project, the names and number of which are determined depending on the needs of organizations involved in the project;

- the time span from the idea of the project to its completion;

- the time span from the first project cost to the last benefit.

The cycle of project management

Pre-investment phase:

- concept;
- feasibility study, business plan;
- expert opinion.

Development phase:

- planning;
- tender procedures / purchases;
- contracts

Implementation phase:

- structure of project management;
- monitoring the implementation process.

Operation phase:

- commissioning;

- closing the project.

Possible sources of financing for local development projects:

- budget (local, regional, state, etc.);
- private investment (foreign and domestic);
- World Bank, International Bank for Reconstruction and Development, etc.;
- technical assistance projects;
- charitable foundations;
- sponsorship fees;
- contributions from community members and local businesses.

2. Project approach and anti-crisis project at the enterprise

An organizational crisis is always a unique situation that requires a set of methods and actions to overcome, considering limited funds, resources and time. The project approach has a significant effectiveness in anti-crisis management

The fundamental factors in the effectiveness of anti-crisis measures are the timeliness of identifying the crisis, the level of adequacy of the decisions made and the strategies and this directly depends on the level of competence of decision makers - their basic education, advanced training and practical experience.

It is also important to involve into the process of control of the implementation of the anti-crisis project those specialists who

developed the solutions and strategy since only their level of competence is sufficient both to assess the compliance of the implementation of the anti-crisis project with its tasks, and to make timely adjustments to the process implementation.

During the crisis, the significance of individual areas of project management is changing, so the main issues during crisis become a forecast of the development of the situation, coordination of tactical anti-crisis actions with strategic goals, dynamic strategy management and effective monitoring of the situation.

First of all, regardless of the goals and objectives of the anti-crisis project, the management of the enterprise needs to assess whether the competencies are sufficient for the implementation of an anti-crisis project and organizational changes for the transition from operational to other management methods.

International Standard for Project Management (Project Management Body of Knowledge, Code project management knowledge) prescribes before starting a project, the need to find out what is the organizational structure of the enterprise, human resources, market situation, willingness to take risks and resources for project implementation.

It is advisable for the company that endures crisis situation to determine what resources will be directed to the implementation of the anti-crisis project and who will execute the anti-crisis tasks. To do this, it is necessary to evaluate:

- production capabilities of the enterprise, including production capacities, technologies, stocks of raw materials, etc.;
- prospective production potential of the enterprise, i.e. what products and in what volumes the enterprise can potentially produce;
- the attitude of ordinary employees of the enterprise to the upcoming changes to minimize influence of negative perception and increase labor discipline;
- qualification of the company's managers in order to assess the compliance of their competencies with project management standards

Before launching an anti-crisis project, it is necessary to decide on the appointment, training and advanced training based on the results of assessment of the qualifications of the managerial staff in accordance with the international standards in the field of project management, involved in the construction and implementation of crisis management systems for managers or introduction of outsourcing.

The formed team of managers starts formalization and implementation of the anti-crisis project. In anti-crisis management, it is worth considering its specifics when applying project approach by forming its algorithm. In general, the algorithm for applying the project method in anti-crisis management can be represented in the following way.

Stage 1. Crisis identification, definition of crisis formation factors, deciding on the transition to anti-crisis management.

Stage 2. Setting goals by obtaining answers to questions:

- *For what?* The goal is defined.
 - *How?* Tasks are set, methods are selected.
 - *Who?* Leaders, executors and controllers are appointed.
 - *What resources?* Resources are defined: finance, technology, production capacity, raw materials and components, the position of the enterprise in the market (famousness of the enterprise or its brand and established economic ties in the context of the anti-crisis management system can be treated as resources).
- *When?* The dates for the start and completion of the anti-crisis project, time costs for the implementation stages, priority and secondary implementation processes are set.

Stage 3. Implementation:

- step-by-step problem solving in accordance with fixed deadlines;
- implementation process management and control;
- intermediate measurement of results including analysis of performance indicators of enterprises.

Stage 4. Completion:

- testing results;
- analysis of indicators of financial and economic sustainability of the enterprise;
- deciding on the transition to operational management

Project approach in the anti-crisis management system of organization can be viewed from two positions:

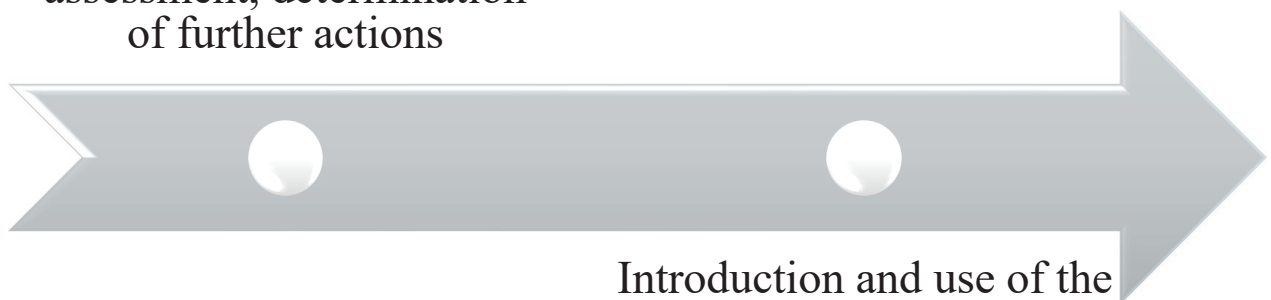
1. creation, implementation and maintenance of projects (programs, project portfolios) of the enterprise to ensure sustainable functioning company or the acquisition by an organization of new qualities or expansion of areas of activity;

2. implementation of a system of anti-crisis management of an enterprise based on project approaches, that is, the organization of management of the activities of the entire organization or any part of it, in crisis, according to the type of project.

Presented algorithm of using of project approach in anti-crisis management requires the formation of a special methodology for its implementation.

This process should consist of two stages:

Detection of threats and problems of the organization, their assessment, determination of further actions



Introduction and use of the project approach for the purpose of anti-crisis management of an enterprise.

At the stage “detection of threats and problems of the organization” corresponding to stages 1 and 2 of the project life cycle, the key organizational structure of this scheme becomes an internal group of diagnostics and evaluation (project group), created by top management when a crisis is detected in the enterprise.

It includes representatives of top management and various departments of the organization. It is possible to attract external experts in the field of anti-crisis management and project management.

The project team analyzes and evaluates information about the current situation (reasons, factors, etc.) that is provided by the departments of organization and comes from the external environment. The project team includes representatives of top management and various departments of the organization. It is possible to attract external experts in the field of anti-crisis management and project management.

Since crisis management activities must be operational some anti-crisis activities are performed simultaneously.

The anti-crisis project management system can be complicated by the following factors:

- opposition to anti-crisis measures, delay or interruption of the process of implementing an anti-crisis project due to dissatisfaction and insufficient motivation of staff, accelerated by depreciation of equipment in case of accelerated production, instability of business processes at the stage of their reengineering;

- lack of practical experience in implementation of anti-crisis projects, only theoretical studying of standards and guidelines;
- violation of individual elements of the system of project management, their replacement by management of other types or defective execution;
- technical and managerial errors of management associated with insufficient qualifications and misunderstanding of the project approach;
- lack of unity of goals and objectives of the enterprise, expressed in the absence of appropriate documents and algorithms regulating communication, hierarchy and activities of all departments of the enterprise.

Basically, these factors relate to compliance with the qualification requirements and the interest of the enterprise management in a positive result.

Topic 7. INNOVATIONS IN ANTI-CRISIS MANAGEMENT

- 1. Innovation process as a factor of anti-crisis management**
- 2. The essence of anti-crisis management based on innovations**

Key words:

**crisis management, anti-crises management,
innovation process, types of innovation strategy**

1. Innovation process as a factor of crisis management

The crisis in the country's economy is aggravated by the innovation crisis, which manifests itself in a sharp decline in the

manageability of the processes of creating and introducing innovations, in the absence of funding sources, in curtailing the activities of research creative teams. Given this search for possible solutions to problems, management of innovation processes is becoming one of the most important tasks of crisis management.

At the same time, the nature and peculiarities of the development of innovative processes determine not only the general economic situation, but also the patterns of development, which are inherent in the innovation sphere. Research in this sphere is carried out within the framework of the theory of innovations since its inception. In addition, such an element of anti-crisis development is important, as an assessment of the possibilities of effective use in world practice practice of management in general and innovation processes in particular.

A well-known American economist, Edward Deming, to whom the Japanese industry is obliged to give birth and worldwide success, set out in his book “Out of Crisis” his program of management by a corporation in a context of tough competition, where the success of one generates difficult problems for others. The essence of this program is presented in E. Deming's well-known 14 principles, followed by what he calls the management of companies. Here are some of them:

- make sure that the desire to improve the product or service has become permanent. Your ultimate goal is to become competitive, stay in business and provide jobs;

- continuously improve the production and service system to improve quality and productivity and thereby continuously reduce costs;

- create a system of personnel training at workplaces;

- form a system of effective leadership. The purpose of the inspection is to help people to work better. The control over the activities of employees needs to be reviewed no less than control over the activities of workers;

- implement an extensive program of advanced training and self-improvement;

- make sure that every employee of the company participates in the transformation program. Transformation is the business of everyone!

The implementation of these principles is directly related to the formation of an effective system of innovative management of the enterprise, which allows it to function, avoiding crisis situations and occupy leading positions in their field.

An important condition for understanding the goals and objectives of enterprise innovation is theoretical knowledge that helps to understand the structure of the innovation process, which is based on innovation cycles.

The greatest contribution to the development of the theory of innovation belongs, according to experts, to the Austrian economist J. Schumpeter, who developed at the beginning of the century his own theory of economic development. He believed that the basis of

economic growth are innovations. In accordance with the classification of J. Schumpeter, the concept of “innovation” is considered as:

1) the production of a new, that is, still unknown to consumers, good or the creation of a new quality of one or another good;

2) the introduction of a new, that is, a given industry of an almost unknown, method (method) of production, based on which is a new scientific discovery and which may also consist of a new method of commercial use of the product;

3) the development of a new market, that is, a market in which by this time the given branch of industry of this country was not represented, regardless of whether this market existed before or not;

4) obtaining a new source of raw materials or semi-finished products in the same manner, regardless of whether this source existed, or was considered inaccessible, or it was yet to be created;

5) conducting appropriate reorganization, for example, securing a monopoly position (through the creation of trusts) or undermining the monopoly position of another enterprise.

The innovation process, being part of the product life cycle, includes different stages - from researching and developing a new technical idea, technology, and ending it with its introduction to industrial implementation, the receipt of a new product and its commercialization.

The final stage of the innovation process, associated with the development of large-scale production of new products, requires the

reconstruction of production capacities, technology improvement, personnel training, advertising activities, etc. To finance the work at this stage will require much more (approximately 6-8 times) costs than research and development. The size of these costs also depends on the volume of development of new types of products. However, investments continue to be risky, as the market reaction at this stage is still unknown and the risks of rejection of the proposed product are very likely. It is important here to remember that a new product may not be demanded in the market. Therefore, a very important stage of commercialization, whereby the demand for new products is generated through marketing, feedback is made with consumers of the new product produced and the further research and development process is determined.

All stages of the innovation process involve their methods of organization of work, management, financing, personnel training. In order to reduce risk and ensure success, an enterprise must integrate different stages of the innovation process into a single chain, each link of which performs an important task in achieving the common goal of obtaining an innovation, and then a new product or technology.

***Innovation potential of the enterprise, its role in crisis
management***

The process of forming an effective system of innovation management depends on the level of innovation potential of the enterprise - its ability to achieve the set innovative goals. The

realization of these goals on a global scale serves as a means of obtaining sufficiently high profits in the long run, strengthening, and then increasing the competitiveness of the market, solving the crisis problem and the problem of survival in general.

The higher the level of innovation potential of the enterprise is, the more successful it avoids possible crisis situations. Innovation potential of the enterprise is defined both by technical factors and managerial. These include:

- the level of development of production that has developed earlier;
- state of the mechanism and system of management;
- the type and orientation of the organizational structure;
- trends of economic and innovation policy;
- understanding the need for various changes and readiness for them personnel, etc.

All factors that determine the level of innovation potential can be divided into the following groups:

- factors of the innovation process itself as an independent object of management;
- factors of the internal environment;
- factors of the external environment.

The first group of factors is a set of internal capabilities of the innovation process as a complex separated system, determine its development. Here in the first place are such elements of the innovation

process as goal setting, development of innovative solutions, development of projects and programs.

The composition of the second group consists of the capabilities of the enterprise itself, manifested in various aspects of its financial and economic status, the organizational structure of management, organizational and technical level of the communication system, etc.

The innovative potential of the company is also determined by the size of its resources, both material and informational, and directly depends on the quality, professionalism and determination of the managerial staff.

The literature distinguishes between two main types of innovation strategy:

- *Adaptive* when an enterprise uses innovation as an appropriate response to changing market conditions in order to maintain its position on the market, that is to survive;

- *Competitive*, when the innovation is used as a starting point for success, a means of obtaining competitive advantages.

The level of innovation potential of the enterprise largely depends on all previous experience, the conditions of operation of R & D units, the level of production, marketing. The decisive factor here is how the managerial experience is learned, which lessons are drawn from the past. Experts distinguish four different but interrelated levels of organizational experience.

1. The level of the external environment - conditions, competitors, consumers, etc.

2. Level of own actions of the organization (manager) - innovative strategy, procedures and methods of management, etc.

3. The level of processes and methods for identifying and solving problems used by the organization (manager), such as culture, level of knowledge, functional specialization;

4. The level of organizational consciousness, which unites the first three.

Adaptive organizations consider at each given moment phenomena of the same level, thus restricting their development, while having only short-term financial success, but do not gain competitive advantage.

Organizations that target the use of all levels of organizational experience, differ in their ability to experiment, analyze successes and failures, draw conclusions from practice. The basis of their work is system thinking, which opens opportunities for creativity.

Creativity has two important aspects. One of them - personal flexibility, that is, the ability to change their own behavior under the influence of reality. Managers should be able to abandon their rooted habits and routines, to expand their behavior, penetrating into unexplored areas. Another aspect is the desire to take risks. To give management a creative character means freeing him from fear of failure. In this context, the results of actions, whether positive or

negative, are considered not as a success or failure, but as information used for further action.

Thus, the innovative potential of the organization, in addition to the qualities of R&D and technological production level of the organization, depends on the level of organizational consciousness of management personnel.

2. The essence of anti-crisis management based on innovations

Anti-crisis management, understood as the establishment of the production and sale of competitive products, can thus be characterized as investment-based anti-crisis management, i.e. appropriate investments in anti-crisis measures are available through self-financing or borrowed capital.

A form of investment-based anti-crisis management aimed at increase in production and sales of products is ***anti-crisis management based on innovation***. Implementation of investment projects while investing in new technologies for an enterprise (they can be new both for the industry and for the market) are often called ***innovative projects***.

Crisis management can be based on new technologies actually in *production* (creation and development of new products for the enterprise or for a different scale of the market of products, new technological processes for its production, new technology and materials) and new technologies in the *organization* of production and

sales of products. All of this is commonly referred to as ***innovation-based crisis management***.

Anti-crisis management, which combines financial and social functions (and also maximizes financial results), should, therefore, be based on innovations (innovations) - product and process, as well as institutional (including allocation, associated with the redistribution of enterprise resources).

It is advisable to refer to methods of innovation management. Innovation management approach is method of influence of the control subsystem (subject of management) to the managed subsystem (object of control), which includes innovation, the innovation process and relations at the market about innovation. Innovation movement from its inception to diffusion is associated with the movement of investments invested in this innovation. Therefore, all methods of innovation management are based on monetary relations, arising in the process of innovation movement at the market. Thus, the common content of all innovation management techniques is impact on innovation of monetary relations arising between a producer or seller of innovations on the one hand, and the buyer of these innovations on the other.

Innovation management techniques have directions of action in the field of production and innovation sales. These directions are determined by the structure of the innovation process.

Therefore, innovation management techniques can be divided into the following groups. (Fig. 12).

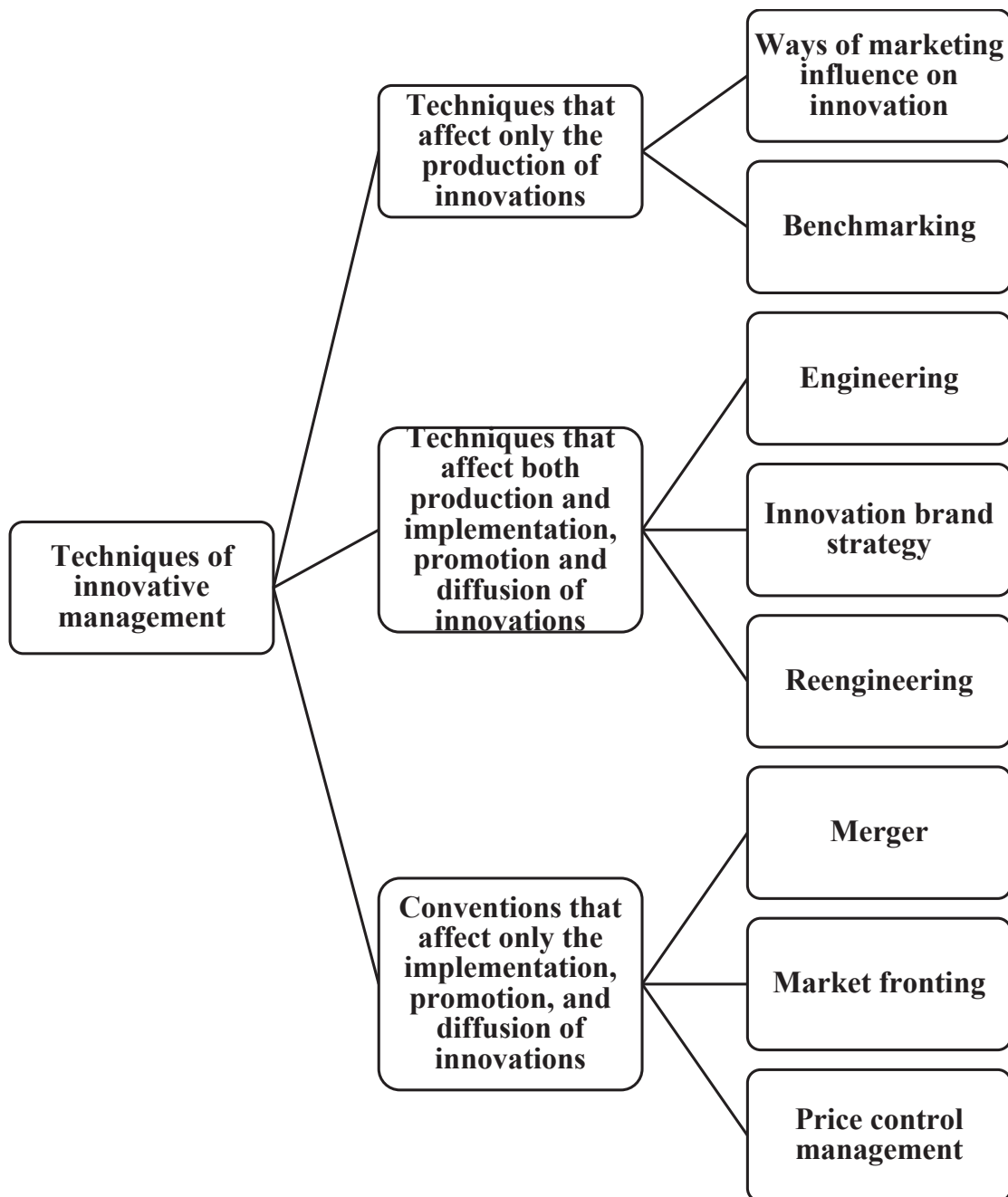


Figure 12. Techniques of innovative management

In addition to the methods listed above, at present, experts also advise resorting to headhunting (poaching specialists from other enterprises).

If we talk about the types of innovation for implementation of anti-crisis management, then it is necessary to understand their types. (Fig. 13).

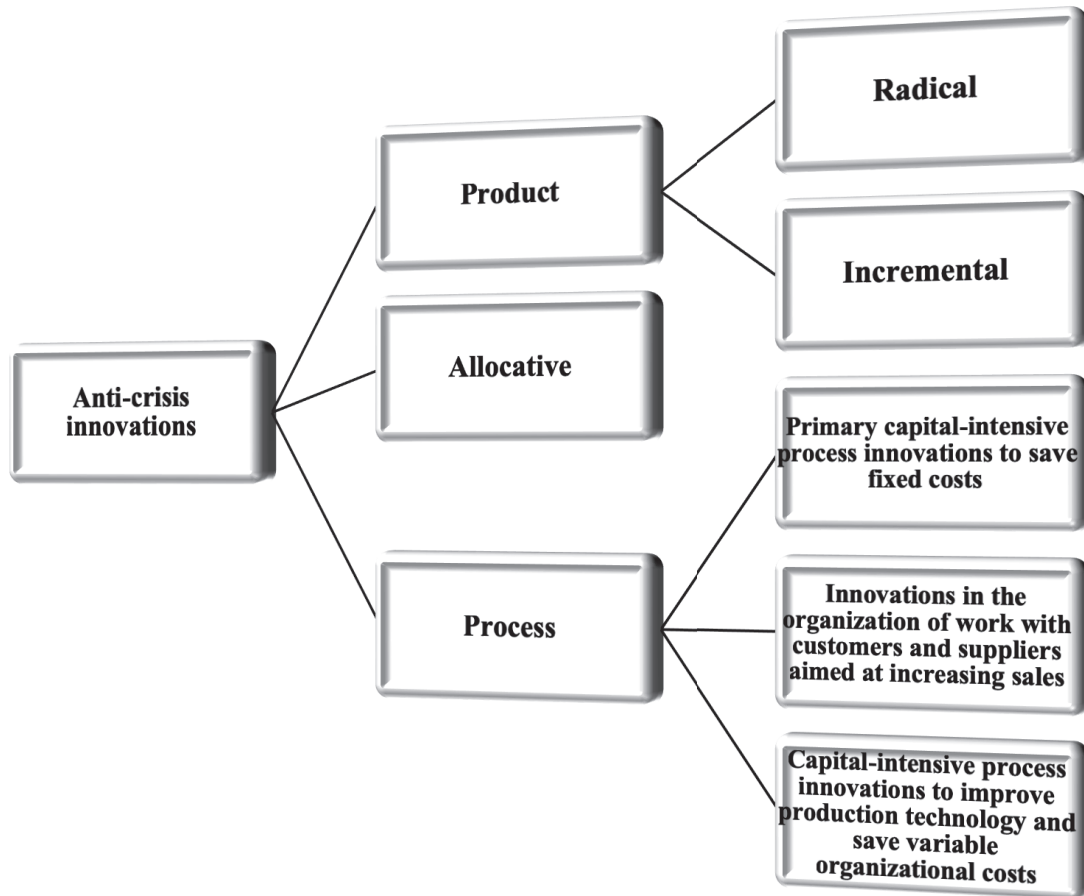


Figure 13. Classification of anti-crisis innovations

Product innovation involves obtaining a new product or service to meet a specific need in the market.

Process innovation means new elements, introduced into production, managerial, organizational, marketing and other processes.

Product innovations are market driven and driven primarily by the consumer, while process innovations are driven primarily by internal factors and driven primarily by efficiency considerations.

In other words, product innovation require organizations to assimilate customer (user) needs models, appropriate design. Process innovation requires organizations to apply new technology to improve production efficiency and product commercialization

Emphasis on technological product and process innovations in crisis management corresponds to the most common in modern views on the management of the ***“diamond concept”*** - the concept of restoring, maintaining and developing the company's competitiveness. According to this concept, the main factor in the competitiveness of the enterprise, both in the long and in the short-term plan is the innovativeness of the company, i.e., its ability to both radical and private (“incremental”) technological innovations.

According to the “diamond” concept, an enterprise needs product innovations, as they are necessary for success in product competition, i.e. in the fight for customers based on such improving the quality of products (services), which follows the changing needs of customers. Process innovations create the opportunity to reduce costs and thus

without damage to the financial performance of the enterprise reduce the price of the product with price competition.

Allocation innovations include:

- various schemes of enterprise reorganization;
- redistribution (restructuring) of tangible and intangible assets;
- redistribution of responsibility of the employees of the enterprise, especially its managers.

Allocation innovations in and of themselves are not able to generate additional profits and cash flows. They are not independent innovations and should only serve the purposes of more efficient implementation of investment projects to implement those product and process innovations that are capable (due to cost reduction and sales increase) bring additional profits to the company and cash flows.

Allocation innovations are among the most expensive and difficult to implement. At the same time, they are truly strategic innovations from which - but only over time - it is acceptable to expect both high and “long-lived” effect, and a radical all-encompassing “failure”.

It is also obvious that typical allocation innovations are designed to “serve” process and product innovations with the longest useful life, i.e. strategic process and product innovations that determine the long-term prospects of the enterprise.

To summarize, by its payback and accessibility (in terms of required initial investments), process, product and allocation innovations can be ranked as follows.

The most operational and easily implemented are process innovations. Product innovations are medium-term and medium-capital intensive. Allocation innovations are the most long-term and expensive.

The gradation of these innovations remains the same and in terms of the risks of their implementation, difficulties, “pitfalls” on the way to the implementation of relevant investment projects.

Innovative projects at the enterprises

Within the framework of the infrastructure, such innovative structures as scientific and technological parks, business incubators, technopolises, centers of high technologies, etc., are greatly developed. All these structures, regardless of the name and internal organization, have the common goals: the formation of conditions conducive to development of innovation activity; support for the creation and development of venture companies representing a risky small-sized enterprise engaged in the development of scientific ideas and their transformation into new technologies and products; Selection and support of promising scientific projects; successful commercialization of the results of scientific research and scientific and technical developments. In their bowels, qualitatively new approaches to the organization of the work of university scientists and young researchers, students' education are being formed. Technoparks are solving the most

important problems of the region: they give new jobs, contribute to the restructuring and transition of traditional industries to new technologies, therefore the participation of authorities at all levels in the development of the industrial park is of great importance.

Innovative structures such as the technology park, business incubator, technocenter, innovation fund, etc., in shaping their development strategy, usually determine in which role they will act: an adapter, innovator or recipient (or choose their effective combination). Depending on the chosen strategy, criteria are set for selecting innovative projects.

Innovation projects are characterized by:

- high degree of uncertainty of the received scientific and technical results;
- duration of the period of development and bringing the product to the end user;
- a high degree of risk of achieving commercial success;
- significant volume of necessary investments;
- in case of success - high profitability;
- cyclic development of innovative processes. The selection of projects can take place in three stages.

The first stage consists in formulating the tasks facing this innovation structure, here the priority directions of scientific and technological development are determined taking into account the economic tasks facing the region.

At the second stage, the initial set of projects is being formed.

At the third stage, an examination of the projects is carried out, ie selection of the most promising. This task is largely determined by the holding of the first two stages, as well as the qualifications of experts.

The main feature of the justification and evaluation of innovation projects is that the developers and authors of scientific ideas, as a rule, do not have the proper qualifications in market assessment and are more oriented towards the scientific and technical novelty of the project. But the main rule for assessing innovation projects is that the consumer does not choose a product based on its novelty, but proceeds from its ability to meet needs better than other types of goods and technology.

PRACTICAL TASKS

Practical task 1.

Topic: Theoretical basics of anti-crisis management

Purpose: to master the theoretical foundations of anti-crisis management

Students know: the concept of anti-crisis management, the difference between crisis management and traditional management

Students are able to: evaluate the crisis situation at the micro-and macro-level according to various criteria

Questions for discussion

1. Contents of the category “crisis management”
2. Crisis management in modern conditions. Justification of its need for management.
3. Crises, typology of crises. Crises at the macro level and crises at the enterprise.
4. “Human nature” of crises.

Methodical recommendations: students familiarize themselves with the theoretical material presented in Internet sources, and also conduct an independent search for materials for implementation

Task: Using official statistical data evaluate the following phenomena:

- population growth or decline,

- the level of unemployment (a factor that can cause a crisis)
- indicators of migration in the region (mass migration disrupts social infrastructure)
- falling or growing incomes of the working population. In the event of a fall, analyze the growth of marginalization trends in society.
- state of the sphere of social protection of the population
- indicators of the quality of life of the population of the region where the enterprise you are studying is located (provision of transport, demonstrable provision of medical and educational services, cultural services)

Indices	2023	2024	2025
Population size			
Unemployment indicators			
Migration indicators			
- emigration			
- immigration			
Average annual incomes of the working population			
Number of pensioners			
Number of children under 16 years old			
Number of hospitals			
Number of schools			

Make a conclusion. Predict possible options for the development of events in the future. Is there a possibility of worsening the crisis?

The form for submitting the results of the completed work: send a file with the completed work through the Elearn platform.

Practical Task 2.

Topic: Crisis management methodology at macro level

Objective: to investigate the methodology of AM at the macro level

Students know: the concept of crisis management at the macro level, the distinctive features of AM at the macro level

Students are able to: assess the crisis at the macro level by various criteria

Methodical recommendations: students get acquainted with the theoretical material presented in the Internet sources, and also carry out independent search of materials for performance.

Answer the following questions in writing

1. Phases of the economic cycle. Macroeconomic crises.
2. The essence, opportunities, problems and technologies of crisis management at the macroeconomic level. Principles of effectiveness of its implementation.
3. Innovation and investment processes as factors of crisis management. The influence of the state on the choice of strategic directions out of the crisis.

4. Ways, means and types of state regulation of crisis situations at the macro and micro levels. State of emergency in Ukraine, its introduction and termination.

Practical work:

<i>Problems at the enterprises in Ukraine</i>	<i>Possible anti-crisis measures</i>
Financial	
Production	
Economic	
Marketing	
Managerial	
Social	
Resource	

Make a conclusion. Predict possible options for the development of events in the future. Is there a possibility of worsening the crisis?

The form for submitting the results of the completed work: send a file with the completed work through the Elearn platform.

Practical task 3.

Topic 3. The concept of the Life Cycle (LC) of the enterprise in crisis management

Purpose: to identify the crisis in the enterprise in accordance with the concept of Life Cycle

Students know: the concept of Life Cycle of the enterprise, the concept of crisis management at different stages of Life Cycle

Students are able to: assess the crisis at different stages of Life Cycle according to different criteria

Methodical recommendations: students get acquainted with the theoretical material presented in the Internet sources, and also carry out independent search of materials for performance.

Answer the following questions in writing:

1. Factors of the crisis in the enterprise.
2. The concept of development potential of the organization. Crisis symptoms and crisis recognition.
3. The essence of the concept of Life Cycle in the systems that actually exist
4. Characteristics of the features of the manifestation of the main phases of Life Cycle of different systems: enterprises of different types, commercial and non-profit enterprises, corporations, public and private enterprises, organizational associations, etc.

Practical work:

Provide a general description of the enterprise as a business entity:

- goals and activities of the enterprise, the history of formation and operation;
- legal support for the operation of the enterprise;
- form of property ownership and organizational and legal form of management, their transformation under conditions of development of market relations;
- structure of the enterprise, i.e. it is necessary to develop the scheme of organizational structure of management of the enterprise, to analyze ways of acceptance and efficiency of administrative decisions on economic questions;
- provide a description of the main product (service) that is produced (provided)
- evaluate the technology of production (service)
- determine the stage of the life cycle of the company, products, technology used.

Form of presenting the results of the work done: send a file with the work done through the Elearn platform.

Practical work 4.

Topic 4. Influence of the external environment on the enterprise

Purpose: to understand the influence of the external environment on the duration and configuration of the LC of the enterprise

Students know: the mechanism of influence of the external environment on the duration and configuration of the LC of the enterprise

Students are able to: assess the impact of the external environment on the duration and configuration of the LC of the enterprise

Methodical recommendations: students get acquainted with the theoretical material presented in the Internet sources, and also carry out independent search of materials for performance.

Questions to discuss

1. “Open system” of the enterprise. Factors of the crisis
2. Cyclical development of the enterprise
3. Managed and unmanaged processes at the enterprise

Practical work:

Fill in Tables 1 and 2. for your company, conducting a SWOT analysis based on the method of expert assessments

Table 1.

Strong and weak factors of enterprise development

1	2
Strong factors	
Weak factors	

Table 2.

**Matrix of threats and opportunities for enterprise
development**

1	2	3	4
Probability of threat implementation	Consequences of threats		
	destructive	very heavy	significant
High			
average			
low			
1	2	3	4
Probability of using opportunities	Impact of opportunity		
	very strong	strong	considerable
High			
average			
low			

Form of presenting the results of the work done: send a file with the work done through the Elearn platform.

Questions for self-control

1. Describe the enterprise as an “open system”.
2. Define the essence and features of the planning process in the anti-crisis management system.
3. Internal and external factors of the crisis at the enterprise?

4. Define managed and unmanaged processes at the enterprise.
5. What is the process of forming strategic alternatives?
6. What factors are used to analyze the external environment of enterprises?
7. Name the elements of the internal environment of the enterprise.
8. Classify planning methods in anti-crisis management

Practical Task 5.

Topic: Strategy and tactics of crisis management

Purpose: to master the concept and mechanism of development and implementation of strategy and tactics of crisis management

Students know: the concept of strategy and tactics of crisis management, features of their development and implementation

Students are able to: evaluate the strategy and tactics of crisis management

Methodical recommendations: students get acquainted with the theoretical material presented in the Internet sources, and also carry out independent search of materials for performance.

Task: Fill in the table and make conclusions

Table 1.

Criteria for analyzing the state of an enterprise in a crisis situation

Criteria	Needed situation	Real situation	The change that should be done	Decision options
Skills and resources				
Structure and system of management				
Managerial structure				

Questions for self-control

1. Development of an anti-crisis strategy at an agricultural enterprise
2. Differences in the anti-crisis preventive and reactive strategy of the enterprise
3. Is it possible to completely prevent a crisis situation?
4. Ways of mitigating the impact of the crisis on agrarian entrepreneurship.
5. External and internal crisis.
6. Crisis analysis methodology at the enterprise.
7. Development of ways out of the crisis.
8. Search for internal resources when identifying a crisis at the enterprise.

9. Innovative potential of anti-crisis development of the enterprise.
10. What is the role of marketing in anti-crisis development?
11. Does a modern agricultural enterprise need marketing? Why?
12. How does choosing a marketing strategy affect the prevention of a possible crisis in the enterprise?
13. What modern marketing methods are available for the implementation of anti-crisis management tasks?

Practical Task 6.

Topic 6. Project approach in crisis management

Purpose: to master the method of applying the project approach in anti-crisis management at the enterprise

Students know: the essence and mechanism of implementation of anti-crisis measures through project development and its application

Students are able to: develop a project of anti-crisis development of the enterprise

Methodical recommendations: students familiarize themselves with the theoretical material presented in Internet sources, and also conduct an independent search for materials to complete individual tasks

Questions to be processed

1. Anti-crisis management and adaptive management at the enterprise

2. Project approach and anti-crisis project at the enterprise
3. Development of an anti-crisis project at an agricultural enterprise

Practical work.

Using data from the tasks performed in previous independent works, develop an anti-crisis project for your enterprise.

An approximate project plan may look like this:

- Justification of the need for changes taking into account factors of the external environment;
- formation of a team;
- diagnosis (analysis) of the state of the enterprise (stage of economic development, financial indicators (in dynamics), marketing indicators, management errors);
- definition of goals;
- development of possible rehabilitation measures;
- implementation of the project;
- corrective actions

Questions for self-control

1. Define the concepts of “project”, “project activity”, “anti-crisis project”.
2. Describe the role and significance of project activities.
3. What signs of projects do you know?
4. By what criteria is the limitation of project goals carried out?
5. What are the tasks and features of anti-crisis projects?

6. Name the main requirements for the formation of a portfolio of anti-crisis projects.
7. Analyze the environment of the anti-crisis project.
8. What is the implementation algorithm of the anti-crisis project?
9. Define the main methods of evaluating the effectiveness of the anti-crisis project.
10. What groups of criteria are used to evaluate anti-crisis projects?

Practical Task 7.

Topic 7. Innovations in anti-crisis management

Purpose: to master the method of implementing innovations in crisis management at the enterprise

Students know: the essence and mechanism of implementation of innovative measures to perform anti-crisis tasks

Students are able to: propose the use of innovative measures for crisis development of the enterprise

Methodical recommendations: students get acquainted with the theoretical material presented in the Internet sources, and also carry out independent search of materials for performance of individual tasks.

Practical work:

According to the lecture materials, fill in the table “Factors influencing the development of innovations”

Table 1.

Factors influencing the development of innovations

<i>Factors to support innovations</i>	<i>Factors to break innovations</i>

Form of presenting the results of the work done: send a file with the work done through the Elearn platform.

Questions for self control

1. Why the innovation process at the enterprise is a key factor in anti-crisis development
2. What can be considered the innovative potential of the enterprise? What is the role of the innovative potential of the enterprise in anti-crisis management?
3. What are the stages of developing an innovative project at the enterprise?
4. Why can innovative potential be considered a resource for anti-crisis development of the enterprise?
5. How does the introduction of innovations help to prevent a crisis at the enterprise?

ADDITIONAL QUESTIONS FOR DISCUSSION AT PRACTICAL CLASSES:

1. Is it necessary to determine the duration and configuration of the life cycle of the enterprise? If so, how exactly?
2. What can explain the difficulties in determining the life cycle of an enterprise and its individual phases?
3. What place in the life cycle of the enterprise belongs to the life cycle of competitive advantage?
4. What are the main factors that determine the life cycle of an enterprise belonging to different industries, forms of ownership and business?
5. What do the models used to define the life cycle of an enterprise have in common? How do they differ from each other?
6. Is it possible to manage the life cycle of the enterprise and in what way?
7. How do “wave processes” in the environment affect the activity of a particular enterprise?
8. Is it possible to predict the phases of cycles in the external environment? If so, how is this done?
9. How the enterprise should behave in different phases of individual cycles (for example, the cycle of Kuznets, Jagler, Kitchin, Kondratiev, etc.).
10. Which of the long-term cycles, in your opinion, has the most significant effect on the company's activity? Justify the answer.

11. Can we say that a crisis is a natural stage in the development of an enterprise?

12. What factors help to identify the crisis of the enterprise, to determine its type and depth?

13. What elements of the production and management system can be the source of a crisis situation and crisis? Give examples of enterprises that have successfully come out of the crisis.

14. Why is the first stage in overcoming the “sales crisis” a thorough analysis of the market situation that the company serves?

15. What information is needed to develop measures to overcome the “sales crisis”?

16. What is the difference in measures regarding product restructuring in the conditions of normal operation of the enterprise and during the “sales crisis”?

17. Can it be said that product restructuring will be able to reliably protect the enterprise from crisis situations in the future?

18. What measures must be taken at the enterprise to stabilize the enterprise's work in the event of overcoming the “sales crisis” and transitioning to the regime of “normal functioning”?

19. List the main “strategic resource areas” for a dairy company.

20. What is the resource potential of the enterprise? What role does it play in the company's activities and how should it be used: a) during the normal functioning of the enterprise; b) in a crisis situation?

21. Give an example of the stages of decision-making about the purchase of any resource, taking into account the need to avoid “chain bankruptcy”.

22. How can information be collected to use the “significance-availability of resource in supply” model?

23. Make a critical analysis of the models and methods used to balance the resource provision of the enterprise.

24. What role does the scientific and technical (“technological environment”) play in the formation of a production-technological crisis?

25. Describe the methods of analyzing the organizational and technical level of production. Which of them are the most acceptable for modern conditions of functioning of Ukrainian enterprises?

26. Specify the procedure for carrying out production and technological restructuring.

27. What basic qualities should a manager, an ordinary employee of the crisis management subsystem have? What explains the personnel crisis and how can it be avoided?

28. What basic social and psychological measures should be taken for effective work in crisis conditions?

29. What should be taught to employees of the anti-crisis subsystem of enterprise management? What does it mean to “behave correctly in a crisis”?

30. What strategy is currently most acceptable at Ukrainian enterprises regarding the production and technological subsystem?

31. Give examples of different types of organizational crises. What are they explained?

32. How do organizational, functional and production potentials interact? How are the phases of their life cycle related?

33. Explain the meaning of organizational and managerial restructuring. What determines the selection and order of activities for this type of restructuring?

34. Analyze the essence of strategic and operational controlling. What options for building the crisis management subsystem correspond to the concept of controlling?

35. Give examples of successfully overcoming an organizational crisis.

36. According to the Law of Ukraine “On Bankruptcy”, what are the external signs of insolvency of the debtor enterprise?

37. Describe the types of procedures that can be applied to the debtor to liquidate his insolvency according to the current legislation of Ukraine.

38. What rights do creditors, the creditors' meeting and the creditors' committee have? What functions do liquidators perform?

39. What is a settlement agreement and how is it used in global bankruptcy practice?

40. List the main “strategic resource areas” for a dairy company.

IV. INDIVIDUAL TASK

An individual situational task includes the following structural elements:

Task 1. Familiarize yourself with the general characteristics of the enterprise as a business entity:

- goals and areas of activity of the enterprise, history of establishment and functioning;

- legal support for the functioning of the enterprise;

- the form of ownership of property and the organizational and legal form of management, their transformation under the conditions of the development of market relations;

- the structure of the enterprise, to develop a diagram of the organizational structure of enterprise management, to analyze the methods of making and the effectiveness of management decisions on economic issues;

- determine the stage of the life cycle of the company, products, technology that is used;

- external and internal factors of the organization's development;

Task 2. Conduct a SWOT analysis of the enterprise, determine its place on the market, market niche.

Task 3. Analyze the staffing of the enterprise, the structure of the organization's personnel over the past five years. Numerical data on personnel should be analyzed based on participation in the production or management process (managers, specialists, other

employees (technical executors), workers); by professional criterion (ratio of representatives of various professions and specialties (economists, accountants, engineers, lawyers); by qualification feature (degree of professional training) – categories, grades, scientific degrees; by gender and age, i.e. number of women/men, number of young professionals or pensioners in the total number of employees; according to length of service.

Build a curve of personnel dynamics over the past five years. Determine the reasons for dismissals (retrenchments). Causes of conflicts within the company.

At the end of the chapter, you must make a conclusion that begins with the words “thus”.

Task 4. Analyze the company's competitors on the market. Provide information on the main suppliers of products. Develop a scheme of relationships between the enterprise under study, its competitors and suppliers.

Task 5. Analyze the products (services) of the enterprise, consumers and sales markets.

To do this, conduct an analysis of anti-crisis activities. Answer the questions:

1. What (which product / service) and when to sell (buy)? In what quantity?
2. At what stage of the life cycle is this product located?
3. What types and forms of sales should be chosen?

4. What resources does the company have to ensure the exit from the crisis? Define and specify: profit indicators, profitability indicators, main indicators for fixed and working capital.

Task 6. Determine what influence the state exerts on the enterprise under study. What changes in tax legislation, monetary policy can harm or, on the contrary, contribute to its development? How to use the economic policy of the state to get the company out of the crisis?

Make a **conclusion** about the main directions of the company's anti-crisis strategy.

Execution and design of an individual situational task

An individual situational task (hereinafter - the task) is performed in the state language. The total volume of the completed task is 20-25 pages of printed text (including the list of used sources and appendices). The task begins with a title page, which should contain the following information: the name of the university; name of the department; the type of task performed and the name of the discipline; surname, patronymic name of the student, course, group, specialty. The CONTENTS of the task are indicated on the next page, indicating the pages of its components according to the text. Each structural element of the task must begin on a new page with the wording of its title. At the end of the task, there is a list of used sources, which is compiled in

accordance with the requirements for the design of a bibliographic description of scientific works and an appendix.

The task must be completed by the student neatly and competently on A4 sheets according to the following requirements: font Times New Roman, point - 14, margins: left - 25 mm, top - 20 mm, bottom - 20 mm, right - 10 mm, line spacing - 1.5. Abbreviations in the text are not allowed. The text, except for the title page, is numbered in the upper right corner of the page.

The task must necessarily contain illustrations (diagrams, schemes, graphs). Illustrations are marked with the word Fig., numbered with arabic numerals consecutively within each structural element of the task (for example: Fig. 1.2 - the second drawing of the first structural element of the task). The number of the illustration and its name are given below the illustration. The formulas used for calculations are given with an explanation of all their components. The value of each symbol and numerical coefficient is given from a new line. The first line of the explanation begins with the word "where" without a colon. Formulas are not recommended to be numbered.

Tables are also numbered consecutively within each structural element of the task (for example: Table 1.1). The name of the table is printed symmetrically above the table. Above the name of the table in the upper right corner is the inscription Table with its number. The reference in the text of the work to the table is given in an abbreviated form of the type "as can be seen from the table. 1.1".

References to used sources should be indicated in the text in square brackets. The number of the source in the list of used sources is indicated first, and after a comma, if possible, its page number (for example, [1, p. 66] - the source is listed under number 1, the information used is contained in the source on page 66).

Appendices are placed at the end of the task in the order of appearance of links in the text. Each appendix must start on a new page and have a title. Above the title in the middle of the line, the word “Appendix __” is printed in small letters from the first capital letter and a capital letter of the Ukrainian alphabet, which denotes the appendix, for example: Appendix A.

V. TESTS FOR SELF-CONTROL

1. The causes of crises can be

- A) internal
- B) external and internal
- C) external

ANSWER: B

2. It is a difficult period of time in an enterprise that has its own signs and stages, certain causes and consequences

- A) the risk of the enterprise
- B) crisis of the enterprise
- C) crisis management

ANSWER: B

3. What types of crises exist

- A) local and general
- B) predictable and unexpected
- C) explicit and latent
- D) deep and light
- E) all answers are correct

ANSWER: E

4. Social crises are the crises that

A) are manifested as crises of division and integration of activities, division of functions, regulation of the activities of individual units, as a branch of administrative units, regions, branches or subsidiaries

B) arise from the aggravation of contradictions or conflicts of interests of different social groups or entities: workers and employers, trade unions and entrepreneurs, workers of different professions, staff and managers

C) reflect sharp contradictions in the country's economy or the economic condition of an individual enterprise, firm

ANSWER: B

5. In general, such crises may look like crises of scientific and technological progress - exacerbation of contradictions between its trends, opportunities, consequences

A) organizational

B) technological

C) economic

ANSWER: B

6. Crises that reflect sharp contradictions in the country's economy or the economic condition of an individual enterprise, firm

A) social

- B) political
- C) economic
- D) psychological

ANSWER: C

7. Organizational crises are crises that

A) are manifested as crises of division and integration of activities, division of functions, regulation of the activities of individual units, as a branch of administrative units, regions, branches or subsidiaries

B) reflect sharp contradictions in the country's economy or the economic condition of an individual enterprise, firm

C) arise from the aggravation of contradictions or conflicts of interest of different social groups or entities: workers and employers, trade unions and entrepreneurs, workers of different professions, staff and managers

D) they manifest themselves in the form of mass stress, feelings of insecurity, panic, fear of the future, job dissatisfaction, legal protection and social status.

ANSWER: A

8. What crises manifest themselves in the form of massive stress, feelings of insecurity, panic, fear of the future, job dissatisfaction, legal protection and social status?

- A) socio-psychological

- B) social
- C) organizational
- D) psychological

ANSWER: D

9. Anti-crisis development is

A) not the absolute absence of crisis, but the presence of such crises, which are the impetus for successful, from the standpoint of human interests, development

B) a systematic approach to overcoming the crisis in the enterprise, complemented by the achievements of situational and process approaches

C) a managed crisis prevention or response process that is consistent with the organization's goals and development trends

ANSWER: A

10. The crisis is

A) one of the most complex, which has many semantic nuances of interpretations and essential characteristics

B) extreme aggravation of contradictions in the socio-economic system (organization), which threatens its viability in the environment

C) abrupt fracture, severe transition, extreme point of fall, acute shortage, inconsistency

ANSWER: B

11. The main component of economic development of the state and almost the only means of survival - is it?

- A) the investment processes
- B) innovation management
- C) investments

ANSWER: C

12. The essence of crisis management includes

- A) crises can be predicted, expected and caused
- B) it is possible and necessary to prepare for crises
- C) crisis processes can be managed to a certain extent
- D) all the answers are correct

ANSWER: D

13. Ensuring stability and balance in the development of the system through the use of the existing environment and effective management is

- A) crisis management
- B) crisis management technology
- C) the purpose of crisis management
- D) regulation of crisis management

ANSWER: C

14. A special legal regime is

- A) catastrophe
- B) State of Emergency
- C) mass threat

ANSWER: B

15. Social sphere is

A) the objective need for the state to support in extreme situations the efficiency and fairness of the market, in obtaining by consumers the necessary and reliable information

B) overcoming the crisis requires the creation of a material basis for improving the living standards of the population

C) management of the totality of funds at the disposal of the household or enterprises of the state

D) a set of industries, organizations, enterprises that are directly related and determine the way and standard of living of people, their well-being, consumption

ANSWER: D

16. The management function that ensures the equilibrium of the institutional formations of the economic system is

- A) regulation
- B) administration
- C) control

D) organization

ANSWER: A

17. Implementation of the state anti-crisis strategy should be based on:

A) political and socio-economic stability in society

B) growth of real tax revenues to the budget

C) the stability of the national currency

D) all answers are correct

ANSWER: D

18. The principles of formation of the state innovation policy include

A) government support for basic research

B) freedom of scientific and scientific and technical creativity

C) support for competition in science and innovation

D) all answers are correct

ANSWER: D

19. A set of consistently implemented measures: prevention, overcoming the crisis, reducing its negative consequences is

A) state regulation

B) crisis management

C) enterprise crisis

D) crisis management technology

ANSWER: D

20. In the life cycle of any real system there are:

A) ideal and real cycle

B) financial and real cycle

C) the ideal and economic cycle

D) all answers are correct

ANSWER: A

21. The reasons for the crisis are:

A) financial and economic miscalculations, the general situation of the economy, low staff skills, shortcomings of the motivation system

B) aging of technical means, large debt on loans, violation of technological discipline

C) aging of technical means, large debt on loans, low staff skills, shortcomings of the motivation system

D) all the factors named above

ANSWER: D

22. The factors which can be considered the crisis factors in the organization

A) the aging of technical means, large debt on loans

B) reduction of product quality, violation of technological discipline

C) there is no correct answer

D) the correct answer a and b

ANSWER: D

23. Crisis recognition is done via determination of

A) alarming events

B) the manifestation of the crisis phenomenon

C) the sources of the crisis

D) identification of symptoms, factors and causes of the crisis, determining its content, properties and nature

ANSWER: D

24. Factors of crises in the organization can be

A) external economic, general and specific

B) external and internal, general and specific

C) external and internal, social and specific

D) external and organizational, social and specific

ANSWER: B

25. Name the stages of the real cycle

A) birth, maturity, decline

B) origin, growth, maturity

- C) growth, maturity, decline
- D) the origin, growth, decline

ANSWER: C

28. The adaptation process shows how

A) the system adapts to the complexity in the natural sciences measured by the value of entropy

B) the system adapts to the environment via the process of changing itself

C) the system reduces its complexity (usually the change in complexity in the natural sciences is measured by the value of entropy)

D) the system increases its complexity

ANSWER: B

29. The life cycle of competitive advantage of the enterprise consists of the following stages

A) birth, growth acceleration, growth retardation, maturity, decline

B) birth, growth retardation, growth acceleration, maturity, decline

C) birth, growth acceleration, growth, maturity, decline

D) the emergence, acceleration of growth, growth retardation, maturity, decline

ANSWER: D

30. The life cycle of competitive advantage of the enterprise consists of the following stages

A) birth, growth acceleration, growth retardation, maturity, decline

B) birth, growth retardation, growth acceleration, maturity, decline

C) birth, growth acceleration, growth, maturity, decline

D) the emergence, acceleration of growth, growth retardation, maturity, decline

ANSWER: A

31. In the life cycle of the project the ideal cycle covers the following stages

A) the emergence of the idea, its design and solution

B) the initial origin of the idea, the emergence of the idea, implementing of the idea till the end of the project

C) the emergence of the idea, its discussion and projecting

D) the origin of the idea, its discussion and solution

ANSWER: B

32. The general trend in strategic analysis is a combination of the following models:

A) economic and dynamic

B) static and economic

C) financial and dynamic

D) static and dynamic

ANSWER: D

33. Lethalents are

A) firms that have outlived their age and are engaged in the production of products or services, or partially obsolete, or that have limited demand only within the national or regional market

B) firms that break up due to the impossibility of their effective operation, or firms that are diversified with a complete change in the profile of activity and full or partial replacement of old technological processes, as well as changes in staff

C) firms with a power strategy, working, as a rule, in the field of big business, are characterized by a high level of mastered technology, mass production

ANSWER: B

34. Commutants are

A) firms engaged in the production of products or services, or having unlimited demand within the national or regional market only

B) firms that have outlived their age and are engaged in the production of products or services, or partially obsolete, or have limited demand within the international market only

C) firms that have outlived their age and are engaged in the production of products or services, or partially obsolete, or that have limited demand within only the national or regional market

ANSWER: C

35. Violent companies are:

A) firms with a power strategy, working, as a rule, in the field of big business, are characterized by a high level of mastered technology, mass production

B) firms with a power strategy, working, as a rule, in the field of small business, characterized by an average level of mastered technology, low output

C) firms with a power strategy, working, as a rule, in the field of big business, are characterized by a weak level of mastered technology, average output

D) there is no correct answer

ANSWER: A

36. The lethal stage is characterized by:

A) restructuring the structure, differentiation of management functions, improving efficiency

B) the emergence of the firm in a market economic environment, the formation of its original structure

C) the destructuring of the firm, termination of its existence in its original form

D) achieving a mature state, a stable position in the market

ANSWER: C

37. The explore stage characterizes:

A) restructuring of the structure, differentiation of management functions, improving efficiency

B) the emergence of the firm in a market economic environment, the formation of its original structure

C) achieving a mature state, a stable position in the market

D) regulation of the development of firms at both regional and state levels

ANSWER: B

38. The most famous method of analyzing the organization's environment is:

A) SPACE-analysis

B) PEST analysis

C) SWOT analysis

D) functional and cost

ANSWER: B

39. Internal factors that can cause a crisis in the enterprise

may be:

A) inefficient financial management, instability of the tax system, aging and depreciation of fixed assets, declining real incomes, inflexible management

B) rising unemployment, declining domestic market, increasing market monopoly, instability of the foreign exchange market, inflexible management

C) insufficient knowledge of market conditions, reduction of the domestic market, imperfect management of production costs, inflexible management

D) high level of commercial risk, insufficient knowledge of market conditions, inefficient financial management, imperfect management of production costs, inflexible management

ANSWER: D

40. The external “crisis-forming” factors include:

A) inefficient financial management, instability of the tax system, aging and depreciation of fixed assets, declining real incomes

B) rising unemployment, declining domestic market, increasing market monopoly, instability of the foreign exchange market

C) insufficient knowledge of market conditions, inefficient financial management, imperfect management of production costs

ANSWER: B

41. The parameters of the environment are:

- A) a combination of factors in the external environment
- B) the movement of factors in combination
- C) a unique combination of factors that are in constant motion
- D) a unique combination of processes that are in constant motion

ANSWER: D

42. To form a clear and understandable picture of the situation, the results must be correctly compared, to bring together several stages of analysis:

A) analysis of the macroenvironment, which can be divided into four sectors: political environment, economic environment, social environment, technological environment

B) analysis of the competitive environment for its five main components: buyers, suppliers, competitors within the industry, potential new competitors, substitutes

C) a,b are correct

ANSWER: C

43. Analyzing the strategy of the enterprise, managers should focus on the following points:

A) the effectiveness of the future strategy

B) the competitiveness of prices and costs of the enterprise

C) assessment of the strength of the competitive position of the enterprise

D) the competitiveness of prices and costs of the enterprise and assessment of the strength of the competitive position of the enterprise

ANSWER: D

44. Anti-crisis strategy should consider:

A) prospects that do not correspond to the possibilities

B) factors that do not meet the capabilities and provide protection against threats

C) prospects that meet the opportunities and do not provide protection against threats

D) prospects that meet the capabilities and provide protection against threats

ANSWER: D

45. An important part of SWOT analysis is

A) identification of political, economic, social and technological aspects of the external environment that affect the company's business

B) assessment of the strengths and weaknesses of the enterprise, its capabilities and threats, as well as conclusions about the need for certain strategic changes

C) assessment of opportunities and threats of technological aspects of the external environment that affect the company's business

ANSWER: B

46. The scenarios are:

A) a realistic description of what trends may occur in a particular industry in the future

B) a realistic description of what trends may not manifest themselves in a particular industry in the future

C) a realistic description of what trends may not manifest themselves in a particular industry at the present time

ANSWER: A

47. Timely diagnosis of the enterprise is:

A) the second stage in the development of crisis management strategy of the enterprise

B) the first stage in the development of crisis management strategy of the enterprise

C) the third stage in the development of crisis management strategy of the enterprise

D) there is no correct answer

ANSWER: B

48. Under normal circumstances, as components of the potential should be considered resources that ensure the achievement of competitive advantages:

- A) waste technology
- B) advanced equipment
- C) intellectual resources
- D) all answers are correct

ANSWER: D

49. From the point of view of crisis management, the whole set of possible strategies of the organization are:

- A) strategies to ensure crisis prevention based on the creation and development of competitive advantages of the organization in the framework of preventive crisis management
- B) strategies to ensure crisis survival and minimize potential losses in emergency crisis management
- C) Both variants are correct

ANSWER: C

50. The strategy is:

- A) a multidimensional economic category that describes the technology of the enterprise in achieving certain goals
- B) a deep, chronic disorder in the monetary system, which is manifested in falling exchange rates, inflation, etc.
- C) violation of the planned course of events at the local level, which is eliminated on the basis of self-organization processes or falls under standard coordination and adjustment procedures

D) deep disorder of the economic system, a way to temporarily resolve its contradictions

ANSWER: A

51. In management, the strategy is considered as:

A) a multidimensional economic category that describes the technology of the enterprise in achieving certain goals

B) a set of intellectual and practical efforts aimed at achieving and (or) maintaining the desired state of anyone, as a way to make the transition from the present to the desired future

C) long-term, qualitatively defined direction of development of the organization concerning the sphere, means and form of its activity

ANSWER: C

52. System orderly and programmable transition from the initial state of the system to a predetermined desired and possible state, considering existing resources and set constraints are:

A) The idea of a project approach

B) Project portfolio

C) Project

D) Project life cycle

ANSWER: A

53. The sequence of project phases, the names and number of which are determined depending on the needs of organizations involved in the project are:

- A) The idea of a project approach
- B) Project
- C) Project life cycle
- D) Program

ANSWER: C

54. The set of projects interrelated with a common goal and content is:

- A) Project portfolio
- B) Project
- C) Project life cycle
- D) Program

ANSWER: D

55. The set of projects and programs that are simultaneously implemented in the organization, competing for its resources are:

- A) The idea of a project approach
- B) Project portfolio
- C) Project
- D) Project life cycle

ANSWER: B

56. Unique temporary activities that involve the coordinated performance of interconnected work to achieve certain goals in terms of time and resource constraints are:

- A) The idea of a project approach
- B) Project portfolio
- C) Project
- D) Project life cycle

ANSWER: C

57. The formation of the optimal structure and amount of funds, management and personnel for the effective use of labor, material and financial resources is a function of management as:

- A) Planning
- B) Organization
- C) Motivation
- D) Control

ANSWER: B

58. The system of incentives and sanctions, which stimulates the interest of the whole team and each employee in increasing the efficiency of the organization in order to quickly overcome the crisis is a function of management as

- A) Planning

B) Organization

C) Motivation

D) Control

ANSWER: C

59. The period of time from the origin of the project idea to its complete completion is:

A) The idea of a project approach

B) Project portfolio

C) Project

D) Project life cycle

ANSWER: D

60. Forecasting deviations from the defined goals for timely operational changes aimed at improving the effectiveness of anti-crisis measures is such a management function as:

A) Planning

B) Organization

C) Motivation

D) Control

ANSWER: D

61. Innovation potential is determined by

A) the value of material and information resources of the enterprise

B) the professionalism of the staff

C) both factors

ANSWER: C

62. The invention is:

A) the final method, principle, new order, invention, new product, process, qualitatively different from the previous analogue, which is the result of intellectual activity, completed research and development

B) the result of practical development of the innovation involved in the dynamics, the effectiveness of which is assessed not only by economic but also by social effect

C) a new technical solution to a specific problem that has a positive effect, improves product quality or changes working conditions;

D) the result of R&D, which reflects a fundamentally new mechanism that can lead to the emergence of new innovations and innovation processes and significantly affect the development of scientific and technological progress

ANSWER: D

63. The innovation strategy when innovation is used as a starting point for success is called

- A) adaptive
- B) competitive
- C) commercial

ANSWER: B

64. The strategy when the company uses innovation as an appropriate response to changing market conditions in order to maintain its position in the market, i.e. in order to survive is called

- A) adaptive
- B) competitive
- C) aggressive

ANSWER: A

65. The use of own methods of labor organization, management, financing, personnel training is typical for

- A) all stages of the innovation process
- B) the initial stage of innovation process
- C) the final stage of innovation process

ANSWER: A

66. A part of the product life cycle which includes various stages: from research and development of a new technical idea, technology and ending with bringing to industrial implementation, obtaining a new product and its commercialization

- A) Investment process
- B) Innovation process
- C) Production process

ANSWER: B

67. Innovation is

- A) the process of investment management
- B) New equipment, technology that is the result of scientific and technological progress
- C) a newly established company that builds its business on the basis of innovation or innovative technologies

ANSWER: B

68. The idea, the latest product in the field of engineering, technology, labor organization, management, as well as in other areas of scientific and social activities, based on the use of scientific advances and best practices

- A) Innovation
- B) Investment
- C) New product

ANSWER: A

69. Activities aimed at the commercialization of accumulated knowledge, technologies and equipment. The result is a new or additional product or a product with new qualities.

- A) Innovation activities
- B) Social activities
- C) Investment activities
- D) Communicative activities

ANSWER: A

70. The stage at which through marketing the demand for new products is formed, feedback with consumers of the made new product is carried out and the further course of researches and developments is defined as

- A) forming of idea
- B) commercialization
- C) implementation

ANSWER: B

VII. RECOMMENDED LITERATURE

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VIII. GLOSSARY

Administrative manager is an arbitration manager approved by the arbitration court to carry out the financial rehabilitation of the enterprise.


Anti-crisis management of an organization is an organization management system that includes the timely identification and prevention of approaching crisis situations and the development of measures that would counteract these phenomena, and in the event of a crisis, would minimize their consequences.

Anti-crisis team is a team of managers and specialists united by a common goal of improving and developing the enterprise and capable of ensuring the achievement of the goal.

Anti-crisis strategy is a strategy that optimizes the behavior of an organization in a recession, a steady decline in the main financial indicators of a corporation and the threat of bankruptcy.

Anti-crisis management of an enterprise is:

- 1) a set of forms and methods for implementing anti-crisis procedures in relation to a particular debtor enterprise;
- 2) management of an enterprise in conditions where its financial condition is such that either:
 - a) external management has been introduced at the enterprise due to its insolvency;
 - b) the enterprise turned out to be insolvent;
 - c) the enterprise is experiencing financial difficulties that can lead to a state of insolvency and is characterized by an unacceptably low return on equity;
- 3) a system of preventive and health-improving procedures applied to the enterprise, aimed at preventing its insolvency and increasing competitiveness.




Anti-crisis investment projects are investment projects based on anti-crisis innovations, characterized by a small amount of required capital investments (“low budget”) and a short payback period.

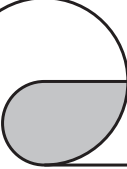
Anti-crisis procedures is a set of procedures to prevent bankruptcy and liquidate the debtor's enterprise.

Arbitration is the consideration of disputed cases by an intermediary (court), appointed in the manner prescribed by law, or by agreement of the parties.

Arbitration manager is a professional participant in managerial activities, whose main function is anti-crisis management of an enterprise under the control of an arbitration court.

Arbitration manager (interim manager, administrative manager, external manager, bankruptcy manager) is a citizen approved by the arbitration court to conduct bankruptcy proceedings or exercise other powers established by law.






Assortment is composition, variety, set of types of products, goods, services manufactured in production or on sale.

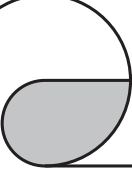
An auction is a method of selling at public auction, in which the person or organization that offered the highest price for the goods becomes the buyer.

Bankruptcy is insolvency, in other words, the lack of funds from an individual or legal entity (debtor); the inability of the debtor to pay its obligations, to repay debts due to the lack of funds for payment.

Business is economic activity for conducting a profitable business, which is a source of profit.

Business incubator is a small enterprise created by large companies with the aim of “growing” new enterprises for the implementation of innovative projects.






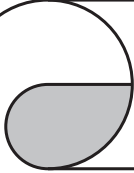
Business plan for the financial recovery of an enterprise is the main document for the financial recovery and external management of an enterprise, which provides for the achievement of its recovery; can be based both on non-capital-intensive and urgent innovations in personnel management, marketing and procurement, and on anti-crisis investment projects.

Budget of the organization is:

- 1) the estimated calculation of the income and expenses of the organization for a certain period;
- 2) distribution and structuring of income and expenses.

Departmental budget is a document compiled in the process of enterprise planning and providing for a departmental spending limit (the “expenditure part” of the budget), linked to the “revenue part” of the departmental budget.




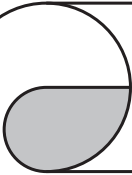


Venture entrepreneurship is an entrepreneurship that is predominantly characteristic of small firms that have settled in knowledge-intensive areas and are engaged in the creation and dissemination of new technologies, i.e. in areas where there is a high risk of not receiving investment returns.

Violent (power strategy) strategy of competitive struggle, focused on reducing production costs due to economies of scale. The fundamental source of strength is the mass production of good quality products at low prices. Due to this, the company provides a margin of competitiveness.

Interim manager is an arbitration manager approved by the arbitration court to monitor, implement measures to ensure the safety of the debtor's property and other powers established by law.



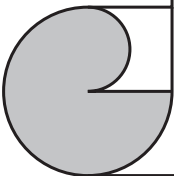


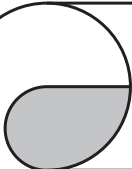
Withdrawal of excess assets is a way to reduce the cost of their maintenance and property tax, increase the return on assets of the enterprise, and also (if they are sold at a reasonable cost) to finance its anti-crisis investment projects; forms of withdrawal of excess assets are: a) sale; b) contribution of excess assets to the authorized capital of subsidiaries; c) donation in the form of charity or sponsorship to organizations exempt from gift tax; d) write-off from the balance sheet (legally); e) leasing, etc.

Challenge is a set of circumstances, not necessarily of a specifically threatening nature, but, of course, requiring a response to them.

Actions are separate events localized in time, with the help of which the tasks are implemented.

Cash flows under the anti-crisis project are the contribution of the project to the cash flows of the enterprise implementing the project; this contribution can be both positive and negative (in the first periods of the project).




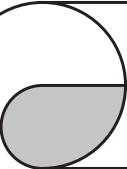


Cash flow of the enterprise is the balance of receipts and payments (inflows and outflows of money for bank and cash settlements) for the period (day, week, month, quarter, year); the cash flow of the enterprise is equal to the change in the balance of funds in its operating bank accounts and “cash”; the cash flow in a certain period for an investment project is the "contribution" of the project to the cash flow of the enterprise.

Depression is the state of the economy in the post-crisis period. The decline in production stops, but its level is low. Commodity stocks exceed the cash supply, living standards are declining, social tension is growing, and management mechanisms are upset.

Diagnostics is an assessment of the compliance of the current values of the parameters characterizing the state of the object with the planned indicators at a given point in time. Diagnostics is carried out in order to find the strengths and weaknesses of the organization, its opportunities and external threats for the development of a restructuring program.



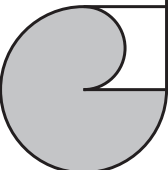


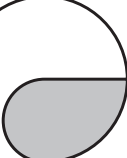
Diagnostics of the management system is the study of the enterprise management system using specialized techniques in order to identify the patterns of business processes, analyze their effectiveness and comply with the strategic goals of the enterprise.

Diagnostics of the economic system is a set of studies to determine the goals for the functioning of an economic object (organization, enterprise), ways to achieve them, identify problems and options for solving them.

Diversification is expanding the range, changing the type of products manufactured by an organization, firm, mastering new types of production in order to increase production efficiency, increase economic benefits, and prevent bankruptcy.

Discounted Payback Period of an anti-crisis investment project is the period during which, within the framework of the total project period, the cash flows from the investment project provide, taking into account the time factor, an income equal to that which could be obtained by investing the initial investments necessary for the project in a publicly available financial asset comparable in terms of risk (such as a bank deposit or liquid shares); can be understood as a period within which the plan-forecast of cash flows for an anti-crisis project should be particularly reliable.





Dotation means funds issued from the state budget on an irrevocable basis to cover the deficit of financial resources of enterprises.

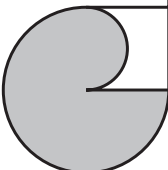
Life cycle of a product (technology) is a certain period of time during which a product (technology) is viable in the market and ensures the achievement of the innovative goals of the enterprise.

Excess assets are property (tangible and intangible assets) that the enterprise does not need to fulfill its production and marketing plans.

Change is a gradual or stepwise process of taking an organization to a new level using existing ideas and concepts.

Investments are long-term investments of private or public capital in various sectors of the economy with the aim of making a profit.

Innovations are:

- 1) the creation, dissemination and application of any innovations leading to improved work, increased efficiency;
 - 2) innovations:
 - a) in the company's products (goods and services offered) - product innovations;
 - b) in technological processes and used equipment (equipment, materials) - process innovations;
 - c) in the organization and management of an enterprise - institutional innovations.
- 




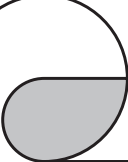
Innovative potential includes opportunities to achieve the set innovative goals.

Personnel is the main (full-time) composition of employees of an institution, enterprise of a particular branch of activity; all permanent employees.

HR strategy is a priority direction of action determined by the management of the organization, considering its strategic objectives and resource capabilities that are necessary to achieve long-term goals to form a highly professional, cohesive and responsible team.

Personnel potential of the enterprise is a general (quantitative and qualitative) characteristic of personnel as one of the types of resources associated with the performance of the functions assigned to it and the achievement of the goals of the long-term development of the enterprise; these are the existing and potential capabilities of employees as an integral system (collective) that are used and can be used at a certain point in time. Personnel potential is an integral part of the labor potential of the enterprise.






Communitant (connecting, adaptive) strategy is a competitive struggle strategy that involves the most flexible satisfaction of small (local) market needs.

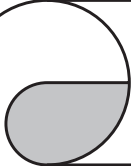
Corporate strategy is the overall management plan of a diversified company. It consists of actions aimed at asserting positions in various industries, and approaches used to manage a group of business types of a company.

Compromise is:

- 1) an agreement reached through mutual concessions;
- 2) a method of resolving conflicts through negotiations and searching for a possible agreement.

Competition is the process of managing a subject with its competitive advantages in order to maintain victory or achieve other goals in the fight against competitors for satisfying objective or subjective needs within the framework of legislation or in natural conditions.






Competitive advantage is any exclusive value (dignity of the company) possessed by the system, which gives it superiority over competitors in the economic, technical and organizational fields of activity.

Competitive status (competitive position) of an enterprise is a set of strengths and weaknesses of the organizational and economic position of an enterprise in the sectoral and regional markets for goods and services relative to its main competitors.

Conflict is a collision of opposing goals, interests, positions, opinions or views of two or more people in the course of their interaction. The most dangerous consequence of conflict in an organization is the creation of a crisis situation. At the same time, the crisis situation itself is a breeding ground for conflicts.

Coefficient of security with own funds characterizes the presence of own working capital of the enterprise, necessary for its financial stability.




Current liquidity ratio characterizes the general security of the enterprise with working capital and cash for conducting business activities, the timeliness of repayment of its urgent obligations.

Solvency recovery ratio characterizes the presence of a real opportunity for the enterprise to restore its solvency within a certain period.

Autonomy ratio is defined as the ratio of equity to the total amount of capital.

Agility coefficient reflects the share of sources of own funds that are in a mobile form. This indicator is equal to the ratio of the difference between the sum of all own funds and the value of non-current assets to the amount of own funds and long-term loans and borrowings.

Ratio of long-term borrowed funds is defined as the ratio of long-term liabilities to the sum of sources of own funds and long-term debt.



Short-term liabilities ratio is the indicator characterizes the share of short-term liabilities in the total amount of the company's debt.

Leverage is the difference between the profitability of products and the credit rate; if the credit lever is positive, then it is profitable to produce products at the expense of borrowed working capital, since one borrowed ruble can earn more than it costs.

Accounts payable ratio reflects the share of accounts payable and other liabilities in the total amount of the company's liabilities.

Creditors are persons who, in relation to the debtor, have the right to claim for monetary and other obligations, for the payment of mandatory payments, for the payment of severance benefits and for the remuneration of persons working under an employment contract.

Crisis is:

- 1) an extreme aggravation of the contradictions of development;
- 2) the growing danger of bankruptcy, liquidation of the organization;
- 3) mismatch in the activities of the economic, financial and other systems.

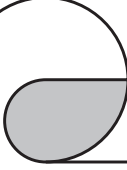
Crisis in the development of an organization is an extreme aggravation of contradictions in an organization (socio-economic system), threatening its viability in the environment.

Crisis situation is a critical situation that, if not taken care of, can greatly affect the profitability of the organization, its reputation or its ability to conduct business.

Liquidation value of the enterprise is the net amount of money that the owner of the enterprise can receive in the liquidation of the enterprise and the separate sale of its assets.

Liquidation of a legal entity is the termination of the activities of a firm or enterprise as a result of a decision of a meeting of shareholders, an arbitration court, bankruptcy, reorganization.

Liquidity of an organization is the ability to timely pay off its debt obligations.



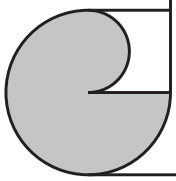
Liquid assets are the funds of an organization that can be used to pay off its payment obligations as soon as possible.

License is a special permit issued by a state body to a legal entity to carry out specific business transactions specified by law.

Marketing is a system for organizing and managing the production and marketing activities of enterprises, studying the market in order to form and satisfy demand for products and services and make a profit.

Marketing activity is a set of measures in the field of research of the organization's sales and marketing activities to study all the factors that affect the production process and the promotion of goods and services from producer to consumer.

Matrix structure of the organization is a management system in which material and labor resources (property and the right to dispose of hired personnel) are assigned to the divisions of the enterprise (their heads), and to the order managers (“project directors”) appointed from among the employees of the enterprise who provided it receiving a new order (or best able to provide technical guidance for a complex order) disposing of the funds allocated to the order (the “project”) according to its cost estimate.



Amicable agreement is:

- 1) a bankruptcy procedure applied at any stage of the consideration of a bankruptcy case in order to terminate the bankruptcy proceedings by reaching an agreement between the debtor and the creditor;
- 2) an agreement between the debtor enterprise and the creditor on deferment and (or) installment payments to the creditor or discount from debts.

Mission is a statement regarding the philosophy, purpose, social meaning of the existence of the organization; a generalized description of the purpose and role of the organization in the economy and society. The mission is expressed in the form of a concise and capacious formulation that reflects ideas about the environment, the capabilities of the organization, its purpose and claims.

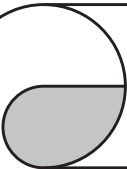
Moratorium is suspension of the debtor's performance of monetary obligations and payment of mandatory payments; applies to monetary obligations and obligatory payments, the due date of which came before the introduction of external administration.

Supervision is a bankruptcy procedure applied to the debtor in order to ensure the safety of the debtor's property, analyze the financial condition of the debtor, draw up a register of creditors' claims and hold the first meeting of creditors.

Urgent innovations in personnel management are the identification of excess administrative and managerial and service (auxiliary) personnel and their reduction, the transition to less risky employment conditions for the enterprise (for example, labor contracts), the conclusion of labor contracts with know-how carriers.

Insolvency is:

- 1) the financial position of the debtor organization, which does not allow it to pay for its debt obligations;
- 2) inability to cope with current payments. An indirect indicator of the organization's solvency is the current liquidity ratio (book value of working capital, correlated with the amount of short-term liabilities), which should exceed 2.0. Unlike insolvency (bankruptcy), the insolvency of an organization can be established by any person who analyzes its financial condition.




Insolvency (bankruptcy) is the debtor's inability recognized by the arbitration court or declared by the debtor to fully satisfy the claims of creditors for monetary obligations and (or) fulfill the obligation to make mandatory payments.

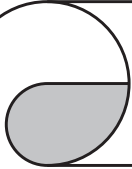
Innovations in the organization of sales and purchases is the transition to more competitive terms of delivery and payment for products, switching to more solvent customers and more capable suppliers.

General solvency of the enterprise is the ability of the enterprise to cover external obligations (short-term and long-term) with all property valued at market value.

Mandatory payments include taxes, fees and other mandatory contributions to the budget of the corresponding level and to extra-budgetary funds.

Experience of anti-crisis management of countries with developed market economies is methodology, strategy and practical activities of government bodies to prevent and overcome crisis situations in socio-economic development at the macro and micro levels.





Organizational culture of an enterprise is a set of values, norms, rules, customs, traditions, guidelines shared by its employees.

Organizational crisis is a crisis of separation and integration of activities, distribution of functions, regulation of the activities of individual units.

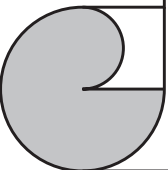
Responsibility is:

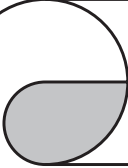
- 1) the consequences of the implementation of duties;
- 2) the measure and form of performance evaluation;
- 3) the principle of management organization.

Valuation is:

- 1) the activity of valuation experts, the result of which is the determination of the value of an object in compliance with the relevant requirements of legislation and standards;
- 2) the result of the assessment.

Patient strategy is a strategy of competitive struggle, which consists in the release of a limited number of highly specialized products of high quality. Due to its ability to defeat more powerful competitors not by force, but by skill.






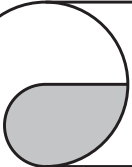
Staff of the organization is the totality of all human resources that the organization possesses. **Personnel** is the most important part of the enterprise and has a complex interconnected structure (organizational, functional, role-playing, social and staffing).

Enterprise financial recovery plan is (an external management plan for enterprises where bankruptcy proceedings have been introduced, external management) the main document that provides for strategic and tactical measures to eliminate the insolvency of an enterprise and increase the competitiveness of its products.

Subdivisions “internal suppliers” are the subdivisions of the organization that do not have their own products sold on the market, but produce their own semi-finished products, components and services, the costs of which are provided as direct costs in the cost estimates for the products of the "profit centers" of the organization.

General service divisions are divisions of the organization, the services of which are necessary for the enterprise as a whole and its individual “profit centers”, but which cannot be reflected as direct costs for individual types of firm's products.





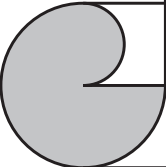
Potential of the organization is a set of strategic resources at the disposal of the organization, which are of decisive importance for the possibilities and boundaries of the functioning of the organization in certain conditions.

Consumer is a person or organization that consumes, uses the product of someone else's production, someone's activity, including their own product.

Preventive anti-crisis management is a set of measures to monitor internal and external factors of an organization that can lead to insolvency, develop and implement anti-crisis procedures.

Intentional bankruptcy is a deliberate creation or increase in solvency committed by the head or owner of a commercial organization, as well as an individual entrepreneur in the personal interests or interests of other persons.

Representative of the debtor's employees is a person authorized by the debtor's employees to represent their interests in bankruptcy proceedings.



Causes of the crisis are:

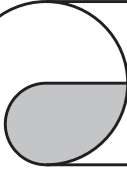
- 1) the events or phenomena that caused the crisis;
- 2) the sources of the crisis.

Anti-crisis program is:

- 1) a system of measures to bring the enterprise out of the crisis (mitigate the crisis, postpone the crisis, get away from the crisis, prevent the crisis, remove the consequences of the crisis, etc.);
- 2) a set of management decisions to bring the organization out of a crisis.

Product innovations are new types of products (goods, services) that, in the order of anti-crisis management, can be created and mastered as part of product diversification or re-profiling of production, if there is an unsatisfied and growing demand for the corresponding types of products or if new types of products allow to squeeze out the market of competitors.

Product-replacing technologies are technologies that allow the production of other popular and profitable products with the maximum use of the existing property at the enterprise (including intangible assets).




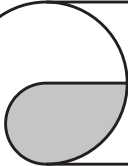
Process is a set of interrelated or interacting activities that transform inputs into outputs. The desired result (goal) is achieved more efficiently when activities and related resources are managed as a process.

Conflict process is the development of events and relations of the participants in the conflict in time and space. The conflict process consists of four stages: the emergence of a conflict situation, the occurrence of an incident, a crisis in relations, and the completion of the process of conflict development.

Process innovations are new technological processes, new technological equipment and tooling (devices, tools, instrumentation), as well as new materials that allow the use of resource-saving and (or) product-replacing technologies.

Radical approach to the selection of new products is an approach that involves the selection of the most solvent market segment and new products for the enterprise that are able to “fill a niche”; this approach requires increased capital investments for the renewal of the company's property complex.



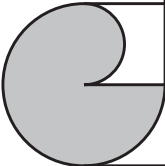


Development is a process of regular change, transition from one state to another, more perfect; transition from the old qualitative state to the new one.

Organizational development is a long-term program to improve an organization's ability to solve various problems and its ability to innovate.

Reactive anti-crisis management means enterprise management in a crisis.

Enterprise reengineering is:

- 1) fundamental rethinking and radical redesign and updating of business processes to achieve dramatic improvements in the activities of enterprises (companies);
 - 2) reorganization of the enterprise management system, which involves a radical revision of the structure of its divisions and management procedures (analysis, planning, coordination, motivation, control, etc.).
- 


Reconstruction is:

- 1) a radical reorganization of something in order to improve it;
- 2) a set of measures to change the functioning and development of an organization, enterprise, economy, etc.

Reorganization is a change in the structure and status of an enterprise through mergers, spin-offs, divisions, acquisitions, and transformations.

Restructuring is:

- 1) changing the structure of something according to certain parameters (term, purpose, size, benefits, payments, etc.) due to changed conditions and in order to positively solve the problem;
- 2) one of the methods of anti-crisis management (debt restructuring, enterprise, finance, technology, personnel, etc.);
- 3) type of strategic innovation, which involves: a) the restructuring of the economic activity of the enterprise; b) property restructuring; c) capital restructuring; d) restructuring of accounts payable and receivable.




Debt restructuring is the process of preparing and executing a series of successive transactions between an organization and its creditors, the main purpose of which is to obtain various kinds of concessions from creditors: reducing the total amount of debt, exemption from paying interest, reducing the interest rate.

Economic risk includes losses, damage, the probability of which is associated with the presence of uncertainty (insufficiency or inaccuracy of information), as well as possible benefits and profits that can be obtained only through actions burdened with risk.

Role of the manager is the status of the manager and the appropriate way of his behavior to ensure the success of the organization. It is determined by personality, education, experience, authority, style, specific circumstances of activity, resources.

Market is a social institution that brings together a buyer and a seller to make a transaction for the sale of a certain product and (or) service.



Market value of an object is:


- 1) the most probable price that is formed at the time of the valuation at the place of its implementation on the basis of supply and demand;
- 2) the most probable price at which the buyer acquires the property subject to a net transaction.

Reorganization is a system of measures (subsidies, preferential loans, preferential taxation, etc.) carried out by state bodies, local governments, founders and creditors aimed at preventing the bankruptcy of the debtor.

Sanction is:

- 1) the reaction of the authority to a violation of the order or failure to comply with obligations;
- 2) an act of punishment provided by the system of responsibility.

Synergy refers to the strategic advantages that arise from the combination of two or more enterprises in one hand. Efficiency increases, which is manifested in the growth of productivity and (or) reduction in production costs; the effect of joint action is greater than the simple sum of individual efforts.

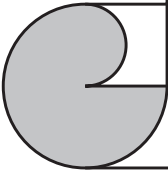


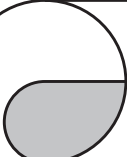
A symptom of a crisis is an external manifestation of crisis phenomena, which does not always characterize the true causes of the crisis.

Market segmentation is the division of a single market for a certain product into a number of relatively independent markets for varieties of this product that differ in price and (or) quality, as well as in orientation to different segments of consumers.

Social tension is a social phenomenon that arises as a result of a mismatch of needs and interests, values and attitudes, norms and traditions of the subjects of social interaction (individuals, organizations, institutions, communities, etc.), which manifests itself in various forms.

Social crisis is clash of interests and aggravation of the contradictions of social groups: workers and employers; employees of various professions or departments; staff and managers; employees of the organization and the local population, etc.







Term of an anti-crisis investment project is the total period during which the project is able to give a return on the investments made in it; can be defined as:

- a) the period until the disappearance of demand for the company's products;
- b) the period of physical depreciation of production capacity (wear and tear of equipment in the "bottleneck" of the technological process);
- c) the period beyond which the forecasting of cash flows for the project is impossible due to the uncertainty of the external environment of the enterprise.

Payback period of an anti-crisis investment project is a simple period for the return of investments made (for the acquisition or creation of missing assets on their own) at the expense of cash flows from the project (see Discounted payback period).

Starting investments for an anti-crisis investment project are:

- 1) investments that, if the decision to start the project is positive, must be made already in the current period;
 - 2) in anti-crisis investment projects, these are the costs of acquiring (creating on their own) the technological equipment or equipment necessary for the development of product or process innovations, for their installation, adjustment and start-up.
- 




Conflict prevention strategy is the creation of such production conditions and psychological atmosphere in the team, in which the possibility of conflicts will be minimized.

Conflict resolution strategy is a system of actions aimed at ending the confrontation of the parties and finding an acceptable solution to problems.

Organization's strategy is the dominant line of action of the organization, the main direction of the implementation of its mission and achievement of goals.

Organization's anti-crisis management strategy is a set of actions and a sequence of managerial decisions that make it possible to evaluate, analyze and develop the necessary system of influences on the recovery of an enterprise in order to prevent its bankruptcy.

Subsidy is a benefit, mainly in cash, provided by the state at the expense of the state budget, local authorities, legal entities and individuals.



Technological crisis is:

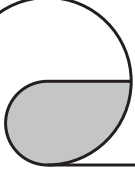
- 1) a crisis of new technological ideas in the face of a clearly expressed need for new technologies;
- 2) the crisis of rejection of new technological solutions.

Threat is a potentially possible unauthorized impact on the elements of business activity by the subjects of threats (destabilizing factors), which can be implemented at any time if certain conditions are met.

Management is a conscious purposeful impact on the part of subjects, bodies on people and economic objects, carried out with the aim of directing their actions and obtaining the desired results.

Management of changes is a structural approach to moving individuals, teams, and organizations from the current state to the desired future state.

Management of organization is the activity of the management and specialists of the organization, ensuring its sustainable functioning and development in accordance with the goals set.

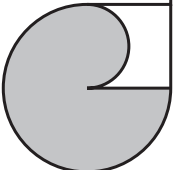



Management of personnel is selection and placement of employees, training in progressive methods of work, updating knowledge, moral and psychological impact, resolving conflict situations in a team in order to ensure coordinated, efficient work.

Crisis management at the enterprise includes operational programs for urgent measures and strategic measures for the development of the enterprise.

Organizational risk management is a process carried out by the board of directors, managers and other employees, which begins with the development of strategy and affects the entire activity of the organization.

Management of an organization in a financial crisis is a set of methods aimed, on the one hand, at reducing all cost items, increasing the flow of funds to the organization necessary to pay off debts, and on the other hand, at increasing sales and making a profit.






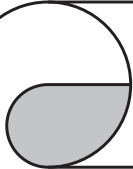
The stability of the organization is the financial condition of the organization, the economic activity of which ensures, under normal conditions, the fulfillment of all its obligations to employees, other organizations, the state due to sufficient income and the matching of income and expenses.

Crisis factor is a fixed state indicating the onset of a crisis.

Fictitious bankruptcy is a deliberately false announcement by the head or owner of a commercial organization, as well as an individual entrepreneur, of his insolvency in order to mislead creditors in order to obtain a deferral or installment plan of payments due to creditors or a discount on debts.

Firm is an organization that concentrates and uses resources for the production of goods and (or) services for the purpose of making a profit. The term “firm” itself was first used in the northern and central regions of Italy in the XIV-XV centuries with the development of capitalism there.

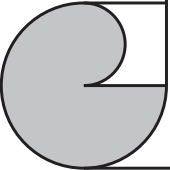


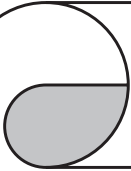


Financial diagnostics of an enterprise is an analysis of the company's financial condition based on the calculation of standard financial ratios calculated on the basis of the balance sheet, and comparing them (return on equity and return on assets) with the level of profitability in the stock markets and with industry average values of these ratios, as well as identifying areas of anti-crisis enterprise management.

Financial recovery is a bankruptcy procedure applied to the debtor in order to restore its solvency and repay the debt in accordance with the debt repayment schedule.

Financial recovery of the debtor enterprise is:

- 1) the restoration of solvency and the establishment of a financial balance between income and expenses by eliminating the causes that caused the financial crisis;
 - 2) restoration of solvency and stable profitable operation, characterized by growing cash flows; financial recovery may involve: a) repayment at the expense of funds earned from the sale of cost-effective products, overdue credit debt; b) reaching an amicable agreement on the restructuring (postponement, installment plan, conversion into company shares, etc.) of accounts payable.
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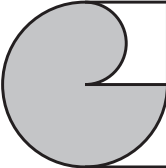
Financial planning at the enterprise is planning the cash flows of the enterprise on the basis of the production and sales plan; it is carried out both at the level of the enterprise and its divisions on the basis of cost estimates for products and budgets of divisions.

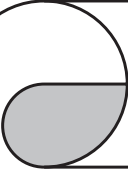
Financial crisis is a contradiction between the income and expenses of the organization and its divisions; manifests itself in the form of delays in wages, non-payments, etc.

Value is something special that the system owns (contains), strives to preserve or have in the future. For example, health, talent, professionalism, organization, ownership of innovation or capital, the acquisition of something, a well-known trademark, for a manager it is the level of intelligence and culture, the level of knowledge in various fields of activity, the ability to set goals and implement them, etc.

“Cost centers” are divisions of the enterprise of two types:

- a) divisions “internal suppliers” that do not have their own products sold on the market, but produce semi-finished products of their own manufacture and components, the costs of which are provided as direct costs in the cost estimates for the products of “profit centers”;
- b) general service units, the services of which are necessary for the enterprise as a whole and for its individual “profit centers”, but cannot be reflected as direct costs for individual types of enterprise products.




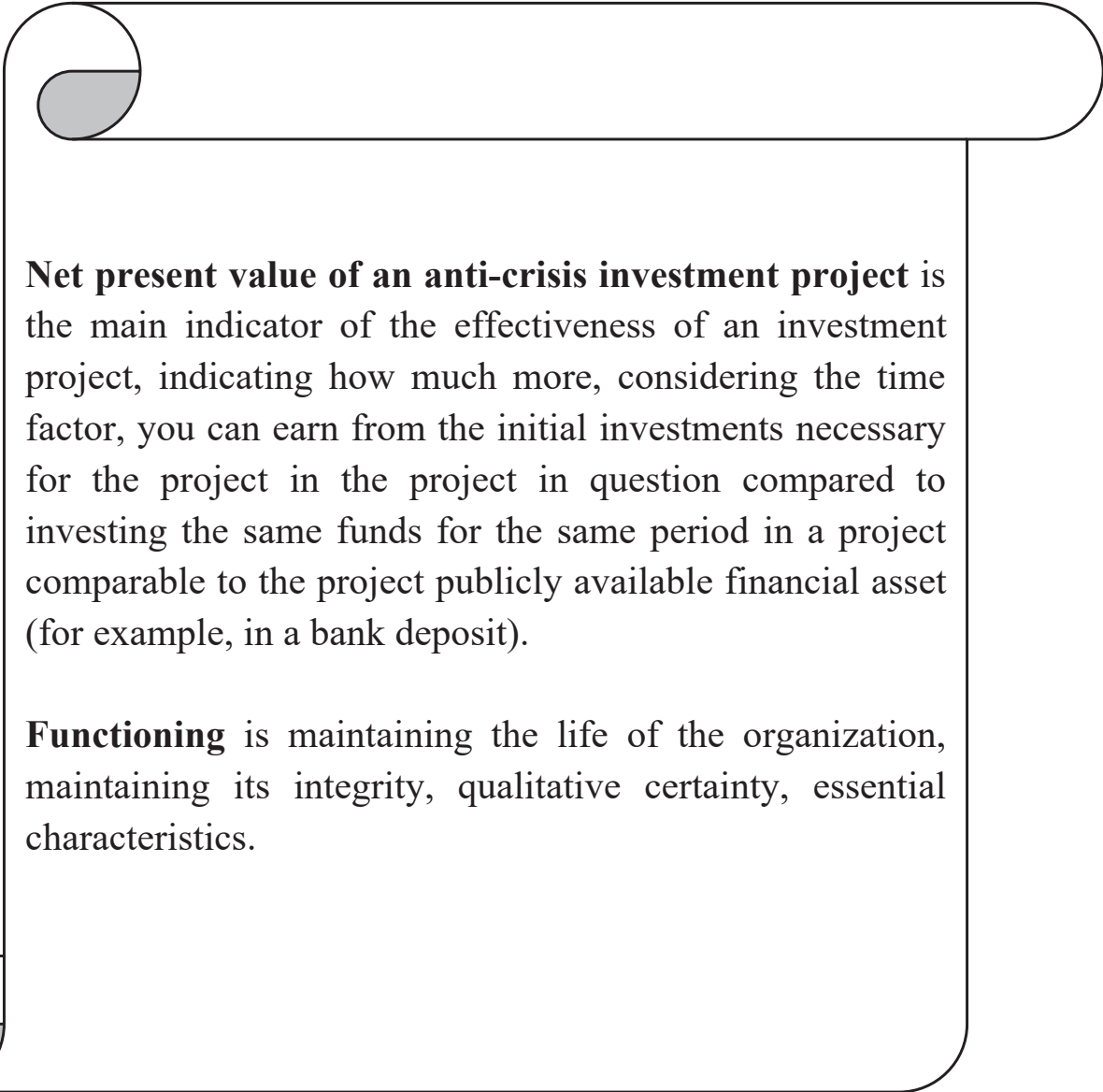


“Profit Centers” are subject-specialized units that produce products that can be sold on the market and that are capable of generating profit for the enterprise; in the financial planning system, these divisions may have budgets, the revenue part of which is formed from the proceeds from the sale of products, reduced by the amount of payment of direct costs according to cost estimates for their products attributable to the divisions "internal suppliers", as well as by the amount of deductions to the centralized funds of the enterprise; during restructuring, enterprises can be allocated to an independent balance sheet.

Human factor is the psychology of the economic behavior of producers, consumers, managers, considered as a factor that significantly affects economic processes and relations.

Human capital is the stock, structure and nature of knowledge, intellectual potential (experience and the ability to use knowledge in solving problems), activity skills, motivation, education, life and work experience, health, geographic mobility, the ability to search and obtain information.



A decorative scroll graphic with a black outline and rounded ends. The top-left and bottom-left corners feature overlapping circular shapes, one of which is shaded gray. The scroll contains two paragraphs of text.

Net present value of an anti-crisis investment project is the main indicator of the effectiveness of an investment project, indicating how much more, considering the time factor, you can earn from the initial investments necessary for the project in the project in question compared to investing the same funds for the same period in a project comparable to the project publicly available financial asset (for example, in a bank deposit).

Functioning is maintaining the life of the organization, maintaining its integrity, qualitative certainty, essential characteristics.

I. APPENDICES

Appendix A.

Sample of a plan of anti-crisis project (on the example of an enterprise producing eggs and egg products)

INRODUCTION

Adhering to the principles of sustainable development, **enterprise producing eggs and egg products** develops predictive methods and techniques of control, prevention, reduction, transfer and avoiding risks.

The risk management policy is aimed at minimization of risks for the company and all parties having any cooperation agreements with the enterprise.

Recognizing that no business is immune from occurrence of emergency situations, the company develops the purpose of the Anti-Crisis Management and Support Plan for business continuity plan (hereinafter referred to as the Plan) to be documented by procedures that allow to get out of crisis situations quickly and with minimal impact on employees, society, customers and business.

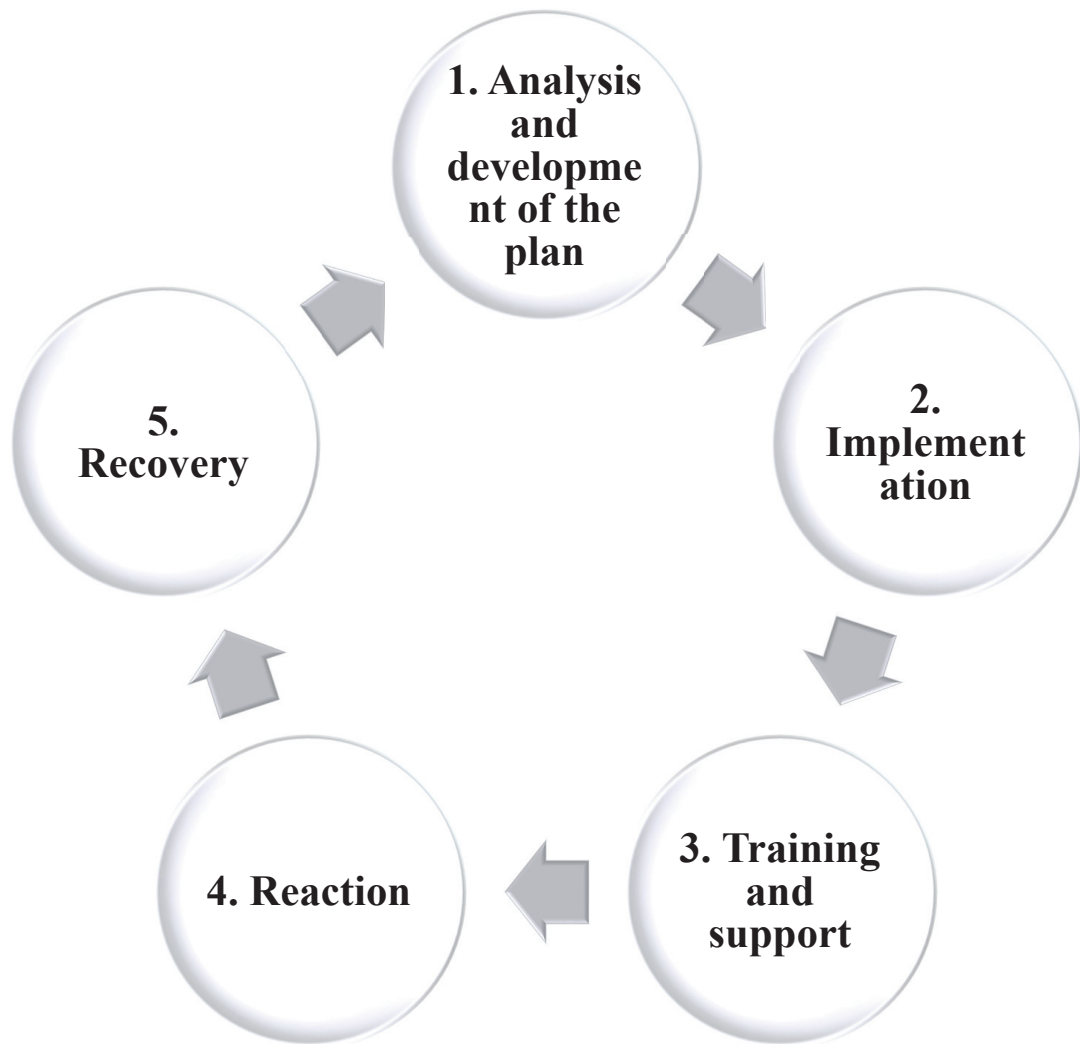


Figure 1. Stages of a business continuity plan

STAGE 1. ANALYSIS AND DEVELOPMENT PLAN

Identification, analysis and assessment of risks is the basis of anti-crisis management. Formulation of risk components, tracking trend dynamics, medium-term forecasting and long-term periods is carried out in the company by professional teams regularly.

Based on risk data, the company implements or updates relevant regulations and procedures, which allow to categorize the levels of

exposure to risk on the company's activities and contain rules and principles response if the risk occurred.

This approach is fully justified, since the presence of prepared response plans with prescribed stages actions allows the company to eliminate the risk in the shortest possible time terms and minimize its impact on the current activity.

In addition, the plans provide for preventive actions, which significantly reduce the probability of occurrence of the risk itself, for example, the mandatory presence of alternative power sources for all production sites significantly reduces the risk of work stoppages due to malfunctions in the central office of electric power system.

Groups of risks:

- biological
- financial
- macroeconomic
- operation
- climate

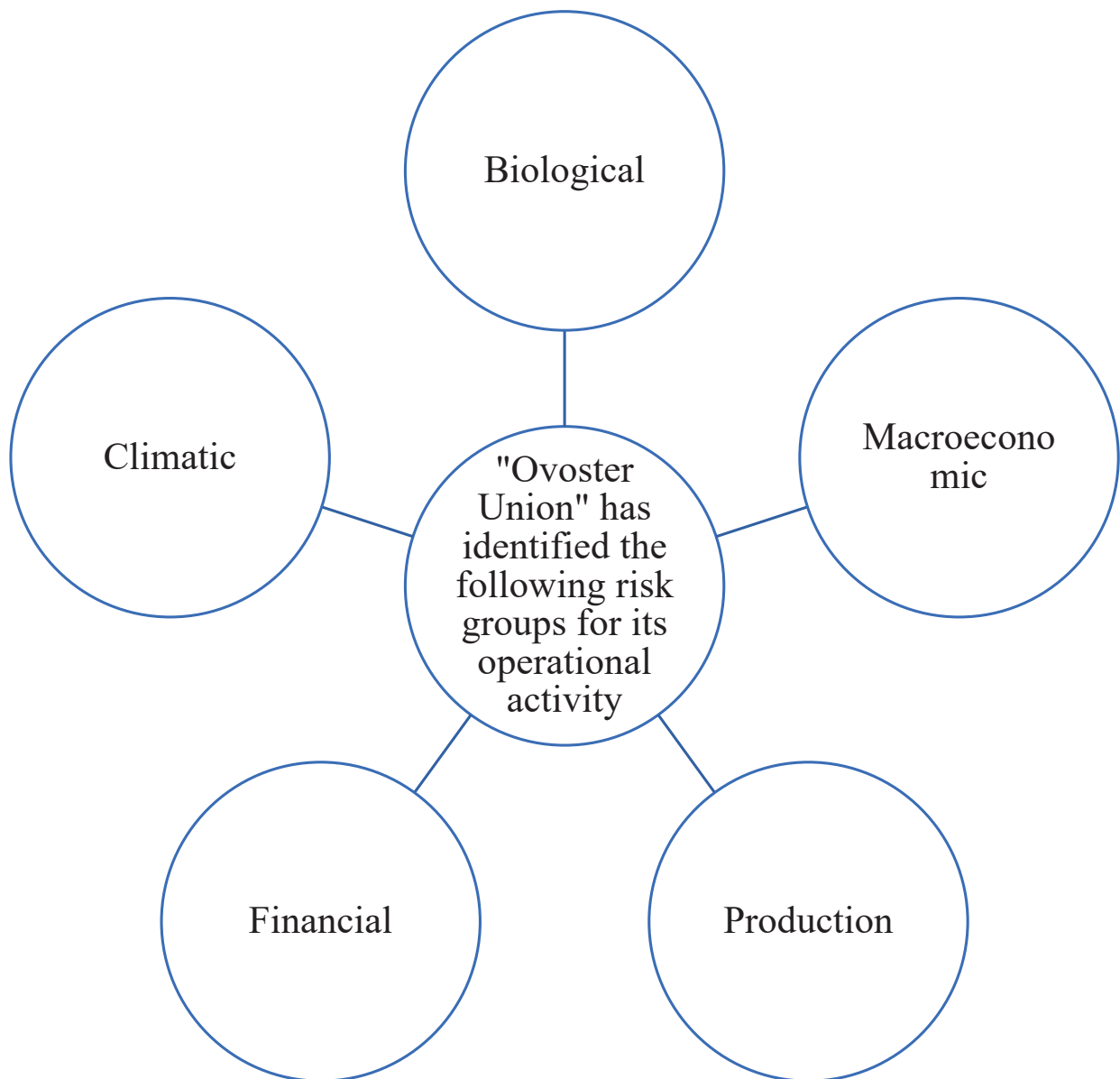


Figure 2. Group of risks for operational activity of “Ovoster Union”

Macroeconomic risks:

Recognizing the fact that the company cannot influence the change in macroeconomic indices, the company's strategy in management of these risks is continuous monitoring of key macroeconomic indices of the local market and target export markets.

The company's key macroeconomic risks include: risks of political instability; the influence of international market situation for national economy; change in the value of national currencies; abolition of preferential taxation for enterprises of the agro-industrial sector.

The company's strategy in the matter of compensation of these risks includes:

- maintenance of own positive financial flow;
- involvement of long-term credit programs exclusively for development of investment projects;
- distribution and preservation of funds in bank accounts in national and international financial institutions;
- the variety of export markets that minimizes dependence on national currency fluctuations

Continuous focus on operational efficiency, development of sales geography and product portfolio, as well as strong market positions in the national market, which historically has a high level of egg consumption per a person that is not correlated with the political situation, allow the company to confidently minimize the impact of these risks on their activities.

Biological risks:

The company links key biological risks to the perennial industry problem of such a migratory disease as bird flu. All procedures and processes in companies are set up to maximize the exclude the possibility of bird flu infection.

In addition, the company pays considerable attention to issues of biological safety of the finished product.

The strategy of the enterprise in matters of minimization of biological risks is based on:

system investments in a closed vertically integrated cycle of keeping poultry from the parent flock to the end of the productive period;

biosafety standards implemented at production sites, which are regularly confirmed by recertification and international audits based on ISO 9001: 2015 and FSSC 22000 v.5 (HACCP).

As for the unprecedented situation related to the COVID-19 pandemic, according to the company, this risk does not have a significant impact on the business operations of the enterprise producing eggs and egg products.

Nevertheless, the company has implemented a number of precautionary measures to eliminate any threats to operational activities.

Production risks:

Risks of stopping the production process of the enterprise producing eggs and egg products divides according to economic activities of different directions, i.e. egg production and egg product production.

And also singles out general risks, capable of the same influence on product groups and related services. These are:

- failures in the IT system,
- emergency failures in supply of electricity, water, gas.

In addition to classic specific production risks, related, for example, to equipment breakdowns, failures in power supply systems, etc., the company is considering and takes such risks as:

- accidents (collapse of part of capital structures);
- unforeseen situations (fire, gas explosion);
- human factor.

To the risks associated with the human factor, the enterprise producing eggs and egg products pays special attention, excluding potential errors caused by incompetence, deficiency qualifications, a biological threat even at the stage of selection and staff recruitment.

From the point of view of the production process, the company is separate and identifies a group of risks that are managed through insurance. They include risks associated with natural disasters, unforeseen situations (for example, fire), car accidents, spoilage or destruction of products during transportation.

Centralized procurement system with current rules of supplier selection manages the risks associated with the supply of production sites with raw materials, materials and other commodity values that ensure uninterrupted operation of poultry farms, sorting sites and a plant for processing products.

To avoid the risk of supplying low-quality raw materials, goods or services produced by company regulations, certification requirements

of the supplier agreement. Traders are excluded from the supply chain. The company is working only with producers of necessary goods and services.

Management of repairs is carried out with the help of automated equipment serviceability control, preventive works, control of the degree of wear equipment and, if necessary, timely updating.

In addition, the composition of consumables is regularly updated by materials and key spare parts that reduce equipment downtime without exposing the operational process to additional risks.

Financial risks

In the group of financial risks, the company combined not only risks directly related to daily management operational activities (such as liquidity), but also risks of competitive market positions associated with significant seasonal price fluctuations, concentration of sales in one market, by the activity of competitors.

To manage this group of risks the company implemented such production and management practices:

- working capital management;
- storage of working capital at national and international bank accounts;
- organization of an open platform for conducting tender purchases;
- diversification of export countries;
- targeting different target consumer segments groups;

- exclusion of the situation of dependence on orders of one client;
- investment in a strong national brand;
- management of product prices.

Strong positions of the national brand and constant high consumption of eggs by the domestic market enable the company to successfully develop international operations, the first to bring new products to the market from high added value and diversify channels sales.

The enterprise invests in the development of its own distribution, builds long-term partnerships with retail and industrial B2B customers, manages representative offices in key export regions (Europe and the Middle East), and also implements various marketing practices of building image of the company and its market offer to target audiences.

Climate risks

Climatic risks, as well as macroeconomic ones, are not the object of the company's influence. In accordance, management of this group of risks is carried out through implementation of predictive practices. A key strategy is to provide birdhouses with enabling systems to regulate and maintain the microclimate, regardless of variable weather factors that can negatively affect the well-being of birds.

For extreme weather situations conditions, such as natural disasters, capable of causing accidents and disruptions in infrastructure systems on poultry farms of the enterprise producing eggs and egg

products, there are alternative power supply lines implemented and back-up generators installed thank to what stocks are always available and provide drinking water, fuel, according to the agreement with the service services, alarm and emergency call buttons are displayed by the service teams.

The enterprise does not exclude the practice of long-term planning, which is at the stage of designing new production facilities sites considers the climatic features of the region.

All production sites of the enterprise are located in a seismically safe zone far away from large water bodies. Also, the territory of operation of the enterprise is not characterized by hurricanes, strong droughts, thunderstorms, precipitation in the form of hail, showers, sharp changes in temperature.

Planning and risk management

Identifying and assessing risks on a regular basis, responsible specialists of the enterprise producing eggs and egg products conduct an audit of changes in behavior and the potential impact of risks on the company's activities and, if necessary, propose a plan of corrective actions to already formed procedures and regulations. Any specialist can initiate changes in the company's current regulations based on identified non-compliance factors.

In addition to internal audits, the company regularly undergoes external audits covering production, operational, and financial audits and marketing aspects of the activity. According to the results of

external inspections by responsible specialists' plans are also being formed to eliminate risks in the future implementation providing in operational activities.

Significant changes in the activities of the enterprise producing eggs and egg products are done as a result of the process of automation, implementation of a long-term investment program of organic growth company, initiatives of employees on the ground and project management. As the changes are implemented, all current regulations of the company are reviewed and adjusted accordingly to new business processes.

STAGE 2. IMPLEMENTATION

Based on the classification and identification of risks, assessments the degree of their impact on business, crisis prevention regulations have been developed and implemented in each subdivision situations, as well as response regulations.

The basic regulations of the company refer to the following management areas:

1. Production

- production process management;
- procurement management;
- quality management of finished products;
- assortment management regulations and
- development of new products;

- regulations and standards for receiving raw materials for production of compound feed;
- regulations for receiving raw materials for production of egg products;
- management of transport logistics and the process of product shipment;
- regulation on implementation of sanitary and hygienic measures;
- training and production training
- personnel;
- waste management.

2. Biological

- instruction on poultry health support;
- instruction on personal hygiene of employees;
- water purity and safety standards;
- regulation of admission of external visitors to territory

3. Administrative

- document flow management;
- data management;
- regulations of conducting external and internal audits;
- computer security policies;
- data management and retention regulations information;
- flow control regulations
- personnel;

- management policies and standards
- sales;
- project management regulations.

4. Crisis management

- management of potential crisis situations and accidents;
- instructions for assessing potential threats and risk management;
- claims and complaints analysis;
- regulations for responding to reputational crises.

Systemic investments in the quality of management at the enterprises are confirmed by the ISO 9001: 2015 and FSSC 22000 v.5 certification systems. (HASSSR), and in synergy with internal regulations and procedures general approach to management and implemented standards of management is a guarantee of the company's performance of its obligations to a wide range of interested parties, including buyers of finished products, suppliers of raw materials, investors, employees, territorial communities and other organizations interested in the successful and long-term activity of the enterprise.

STAGE 3. TRAINING AND SUPPORT

Recognizing that the company's employees are key resource in matters of the quality of business processes, as well as realizing that the success of the implementation of the strategy of work with risks depends on the level of qualification and preparedness of personnel to

face crisis situations, the enterprise pays close attention to issues of personnel training.

All training programs can be divided into 4 major groups:

1. Induction programs that include newcomer adaptation programs, coaching and mentoring for employees and additional programs necessary in the course of career growth or production rotation of specialists.
2. Emergency preparedness programs, such as industrial safety labor, training in fire safety, instruction regarding personal hygiene and sanitary-veterinary norms in force at poultry farms.
3. Training programs for employees, including specialized courses for specialized specialists, such as veterinarians, quality experts, lawyers, accountants, financiers, marketers, sales managers, logisticians, HR managers, etc.
4. Training programs for organizational changes, namely, training top managers in methods of change management, work in project teams, individual training in industry and functional programs.

It is implemented for the transfer of internal knowledge in the company an internal training project, in the framework of which cross-functional training of employees takes place, which contributes to the establishment of internal interaction processes and increases the speed and accuracy of response at emergence of crisis situations.

STAGE 4. REACTING TO CRISIS

Despite significant preventive crisis management, the enterprise admits that for the enterprise, which functions in full-time operating mode, the risk of a crisis situations can be reduced, but not completely excluded. The process reacting to crisis (crisis management) is actually divided into

2 components:

1. immediate elimination of cause and effect of crisis on the operation activities;
2. communication with target groups.

According to the identified risks considering the location of the production facilities a working group of specialists is formed to manage the crisis before the restoration of the regular activities of the enterprise.

Permitting an emergency at the time of its occurrence is the priority activity of the company at the time of allocation of material and technical, financial and human resources.

If necessary, the working group provides close cooperation of all services of the enterprise with representatives of emergency response services, state bodies, territorial communities and mass media.

A message about a crisis situation can be initiated by any mobile worker of the working group.

Specialists of the working group constantly monitor mass media and social media on the subject of spreading rumors and false

information and are promptly contacted to correct and remove information that does not correspond to reality.

The head of the working group reports on work results, decisions made and development situation directly to the general director of the enterprise.

Employee safety, human safety lives, elimination of a crisis situation, minimization of damage of environment, restoration of control over the production process, biological well-being assets, minimizing the long-term consequences of the crisis, fulfillment of obligations to the company's partners are the priority directions of the working group reacting to the crisis.

STAGE 5. RECOVERY

The post-crisis or recovery period can be divided into the following components.

Informing target interested groups about the end of the emergency.

Implementation of short-term measures for the purpose of recovery, and if necessary, re-commissioning of the objects, service systems, infrastructure, etc.

Implementation of measures for long-term changes, for example, capital construction, reconstruction, investment in infrastructure, improvement, automation, etc. This stage also includes indemnifying everyone to the affected parties and an analysis of how to avoid or reduce in the future the consequences of an emergency situation which took place

Amendments to corrective action plans, development and implementation of new plans which describe integrated management potential threats and risks, including changes in regulations, business processes and their subsequent implementation and training of staff.

Relevance and composition of mobile working groups response is reviewed at least once per a year or more often, in case of structural, staff or any other changes that require a reassessment of risks of the enterprise.

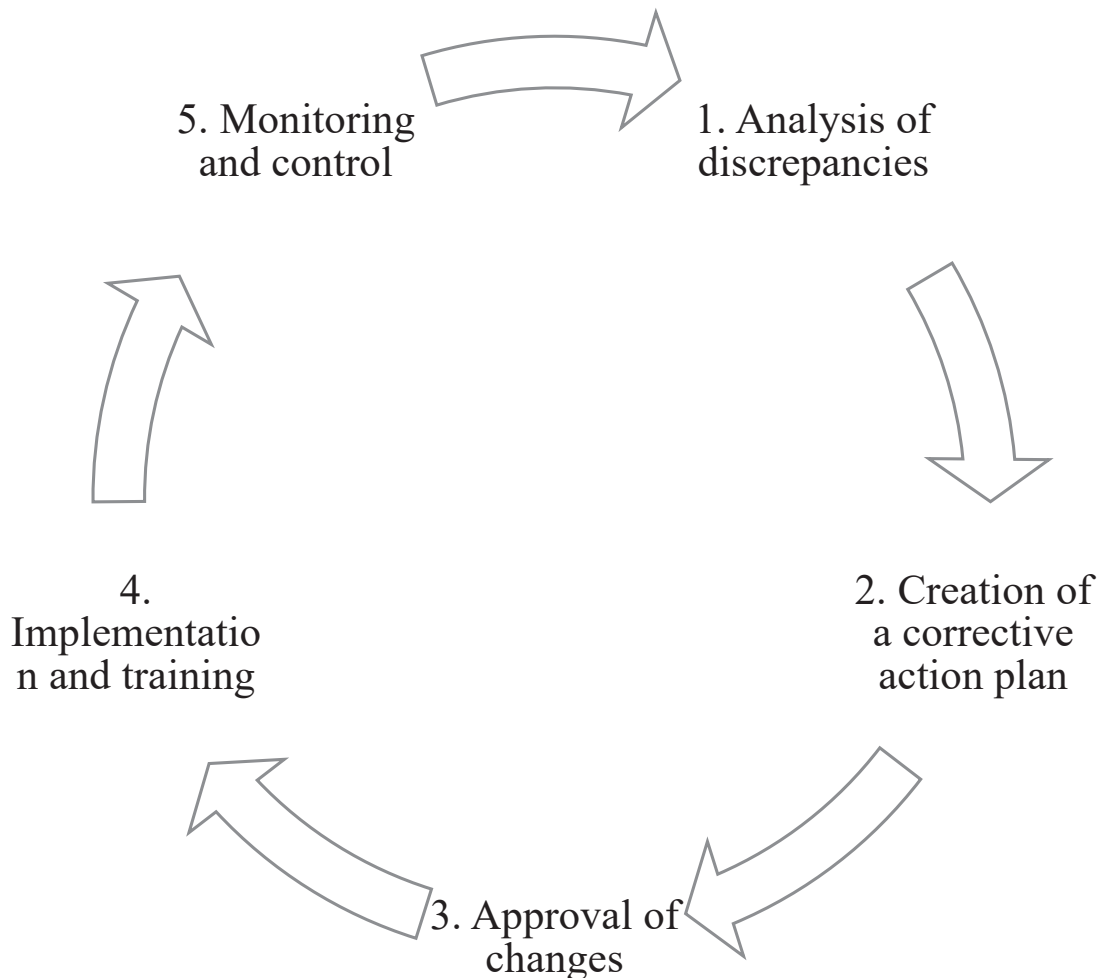


Figure 3. Adjusting the plan

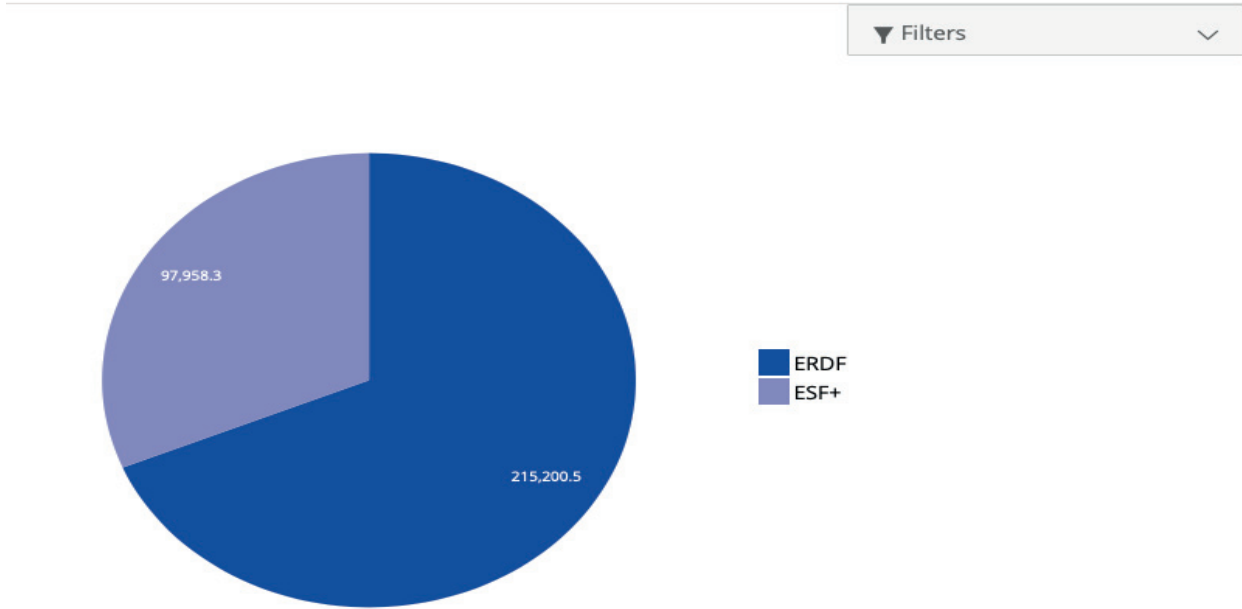
FINAL PROVISIONS

Crisis management is an important part of the process of decision-making at the enterprise producing eggs and egg products. Crisis management plan provides reasonable assurance that emergency situations will be overcome with minimal losses and without breach of obligations to the company's customers. The enterprise management realizes that it is impossible to anticipate and prepare for every emergency situation.

So, the anti-crisis management and support plan business continuity on the one hand, includes both a general approach to anti-crisis management, and is in constant dynamic response to changes of internal regulations, procedures and orders.

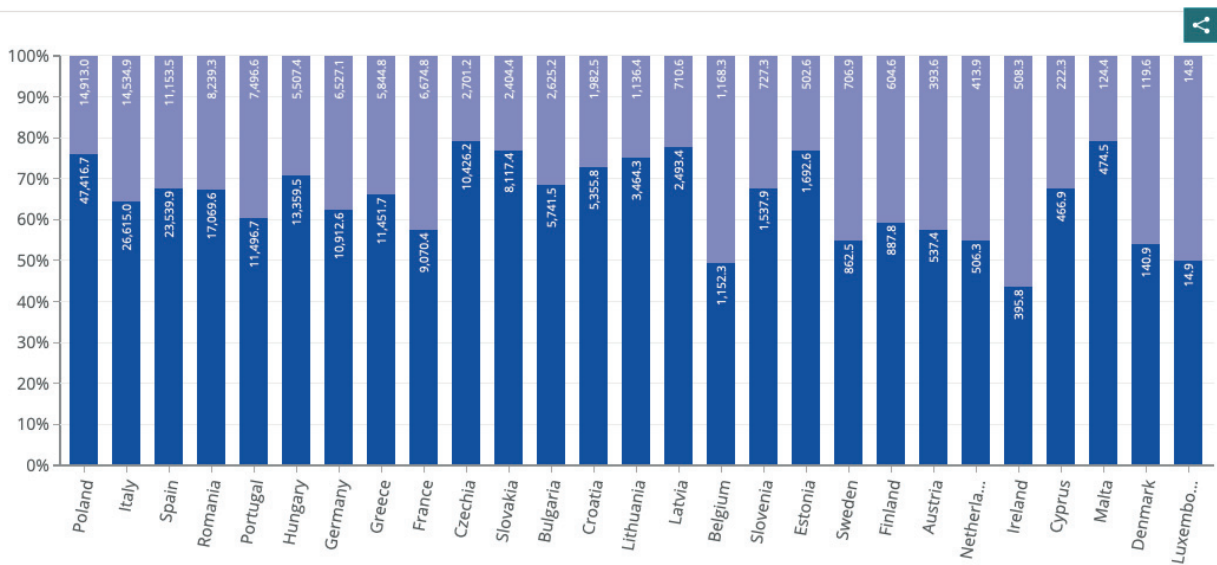
APPENDIX B

Planned financing of the European Social Fund+ and the European Regional Development Fund for 2021-2027 (million euros in current prices)

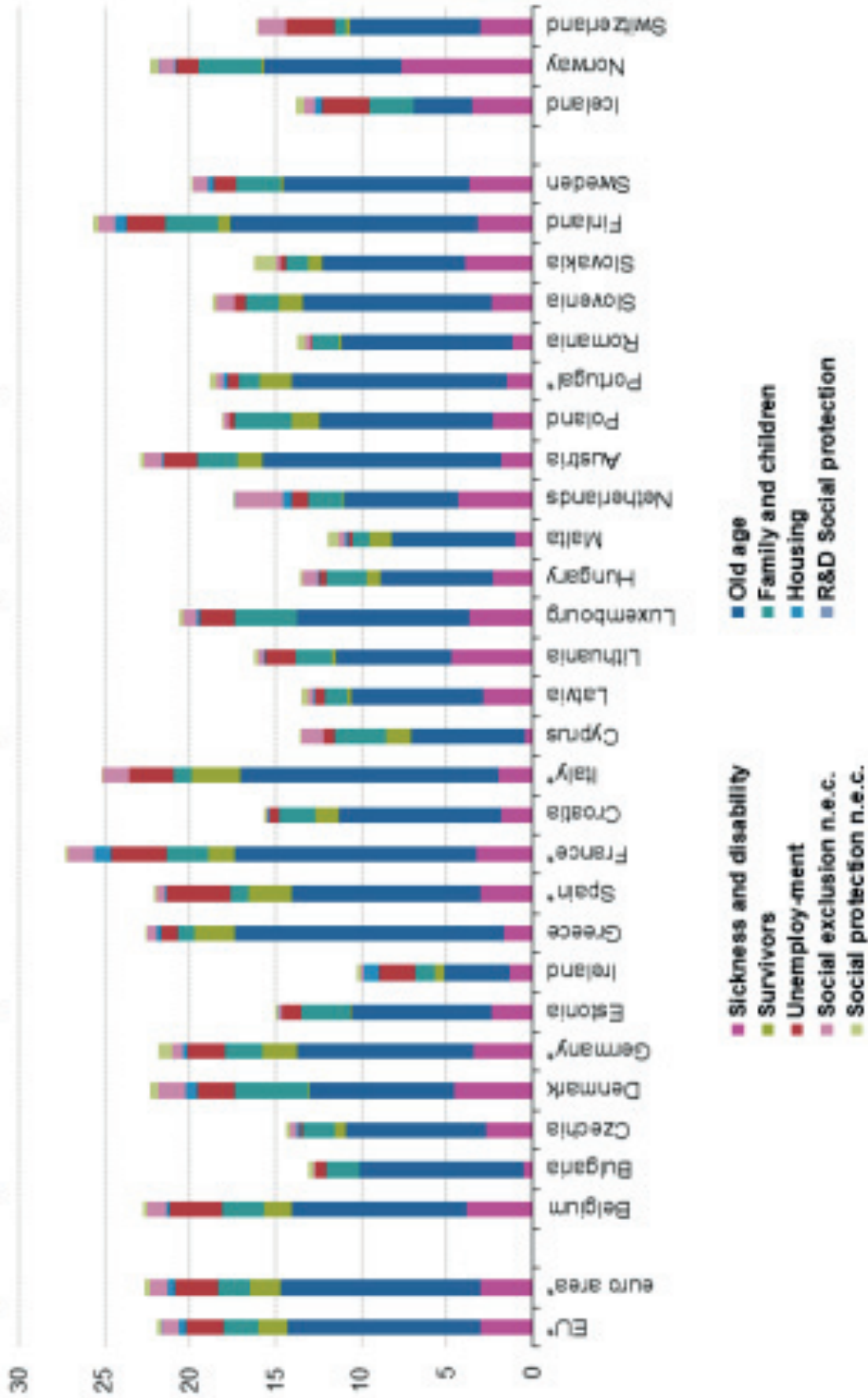


Planned funding of the European Social Fund+ and the European Regional Development Fund for 2021-2027 by country (million euros in current prices)

2021-2027 ERDF and ESF+ initial allocations by country (EUR m - current prices)



Total general government expenditure on social protection, 2020 (% of GDP)



* provisional
Source: Eurostat (gov_10a_exp)

Total general government expenditure on social protection, 2020, % of GDP

	Social protection	Sickness and disability	Old age	Survivors	Family and children	Unemployment	Housing	Social exclusion n.e.c.	R&D Social protection	Social protection n.e.c.
EU*	22.0	3.0	11.3	1.6	2.0	2.2	0.3	1.1	0.0	0.3
euro area*	22.7	3.1	11.6	1.8	1.9	2.5	0.4	1.1	0.0	0.3
Belgium	22.7	3.8	10.2	1.7	2.4	3.1	0.2	1.2	0.0	0.2
Bulgaria	13.1	0.6	9.5	:	1.9	0.6	0.1	0.1	:	0.3
Czechia	14.4	2.7	8.2	0.6	1.9	0.2	0.2	0.4	0.0	0.2
Denmark	22.4	4.6	8.5	0.0	4.4	2.1	0.7	1.6	0.0	0.5
Germany*	21.8	3.4	10.3	2.0	2.2	2.2	0.3	0.7	0.0	0.8
Estonia	15.0	2.4	8.2	0.1	2.9	1.1	0.0	0.2	0.0	0.2
Ireland	10.2	1.3	3.9	0.5	1.2	2.1	0.9	0.1	0.0	0.2
Greece	22.5	1.7	15.7	2.3	1.0	0.9	0.2	0.6	0.0	0.0
Spain*	22.1	3.1	10.9	2.6	1.0	3.8	0.0	0.5	0.0	0.1
France*	27.3	3.3	14.1	1.6	2.4	3.3	0.9	1.5	0.0	0.2
Croatia	15.7	1.9	9.4	1.4	2.2	0.5	0.1	0.1	0.0	0.2
Italy*	25.2	2.0	15.1	2.8	1.1	2.5	0.0	1.5	0.0	0.1
Cyprus	13.6	0.5	6.6	1.5	3.0	0.7	0.0	1.3	0.0	0.1
Latvia	13.5	2.9	7.7	0.2	1.3	0.6	0.1	0.4	0.0	0.4
Lithuania	16.3	4.7	6.7	0.3	2.1	1.7	0.1	0.4	0.0	0.2
Luxembourg	20.6	3.7	10.0	0.0	3.7	2.1	0.1	0.9	0.0	0.2
Hungary	13.6	2.3	6.5	0.8	2.4	0.4	0.1	0.9	0.0	0.2
Malta	12.0	1.0	7.2	1.3	1.0	0.2	0.2	0.4	0.0	0.7
Netherlands	17.4	4.3	6.7	0.1	2.1	0.9	0.5	2.8	0.0	0.0
Austria	22.9	1.9	13.9	1.4	2.4	1.9	0.1	1.1	0.0	0.2
Poland	18.2	2.3	10.1	1.6	3.3	0.3	0.0	0.3	0.0	0.1
Portugal*	18.8	1.5	12.5	1.9	1.3	0.6	0.2	0.4	0.0	0.4
Romania	13.8	1.2	9.9	0.1	1.6	0.1	0.0	0.4	0.0	0.5
Slovenia	18.7	2.4	11.0	1.4	2.0	0.6	0.0	1.1	0.0	0.2
Slovakia	16.3	3.9	8.4	0.8	1.2	0.4	0.0	0.2	0.0	1.3
Finland	25.7	3.2	14.5	0.7	3.1	2.3	0.7	1.0	0.0	0.3
Sweden	19.8	3.7	10.8	0.2	2.5	1.3	0.3	0.9	0.0	0.0
Iceland	13.8	3.5	3.4	0.0	2.6	2.8	0.4	0.7	0.0	0.5
Norway	22.3	7.7	8.0	0.2	3.7	1.2	0.1	0.9	0.1	0.5
Switzerland	16.0	3.1	7.6	0.3	0.6	2.8	0.0	1.6	0.0	0.0

Source: Eurostat (gov_10a_exp)

* provisional

Expenditure on social protection, 2006-2016
(% of GDP)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
EU-28 (*)	25.9	25.3	26.0	28.7	28.6	28.3	28.7	28.9	28.6	28.3	28.0
Euro area (EA-19)	26.3	25.9	26.6	29.4	29.3	29.0	29.4	29.8	29.7	29.4	29.2
Belgium	26.7	26.3	27.9	30.2	29.6	29.9	29.7	30.0	30.0	29.8	29.2
Bulgaria	13.8	13.4	14.7	16.1	17.1	16.5	16.5	17.6	18.5	17.7	17.3
Czechia	17.6	17.6	17.9	20.1	20.0	20.1	20.4	20.2	19.7	19.0	18.9
Denmark (†)	28.4	29.1	28.9	32.7	32.4	32.1	32.0	32.5	32.8	32.1	31.0
Germany	27.9	27.0	27.4	30.8	30.1	28.8	28.9	29.3	29.1	29.4	29.7
Estonia	12.0	11.9	14.6	18.7	17.4	15.5	14.9	14.8	14.8	16.0	16.6
Ireland	17.1	17.6	20.2	24.1	24.9	24.0	23.6	22.5	20.6	15.7	15.9
Greece	20.6	21.3	22.8	24.8	25.9	27.3	28.1	26.4	26.0	26.1	26.1
Spain	20.1	20.4	21.6	24.7	24.8	25.5	25.7	26.0	25.5	24.7	23.8
France	30.7	30.4	30.8	33.2	33.2	33.0	33.8	34.2	34.5	34.3	34.3
Croatia	.	.	18.8	21.0	21.3	21.0	21.6	21.4	21.8	21.8	21.3
Italy	25.5	25.6	26.6	28.7	28.7	28.4	29.1	29.7	29.8	29.8	29.4
Cyprus	16.7	16.4	17.6	19.1	18.7	20.1	20.9	23.0	20.2	20.1	19.4
Latvia	11.9	10.6	12.1	16.8	18.2	15.3	14.3	14.6	14.5	14.9	15.1
Lithuania	13.3	14.2	15.9	21.0	19.2	17.0	16.3	15.4	15.3	15.7	15.4
Luxembourg	20.5	19.5	20.9	23.4	22.5	21.8	22.7	23.1	22.5	22.1	21.3
Hungary (†)	17.9	22.1	22.3	22.7	22.5	21.6	21.2	20.7	19.8	19.1	18.9
Malta	17.8	17.8	18.2	19.6	19.3	18.9	19.2	18.9	18.2	16.8	16.6
Netherlands	26.3	25.9	26.1	29.0	29.3	29.9	30.6	30.8	30.6	29.9	29.5
Austria	27.5	27.0	27.6	29.6	29.6	28.8	29.2	29.6	29.8	29.8	29.8
Poland	19.7	18.4	19.3	20.3	19.7	18.7	18.9	19.6	19.3	19.4	21.0
Portugal	23.7	23.0	23.4	25.8	25.8	25.8	26.4	27.6	26.9	25.7	25.1
Romania	12.9	13.3	13.7	16.2	17.5	16.6	15.4	14.9	14.7	14.6	14.6
Slovenia	22.4	21.0	21.0	23.7	24.4	24.4	24.7	24.6	23.9	23.8	23.3
Slovakia	16.0	15.7	15.7	18.4	18.1	17.7	17.8	18.3	18.4	18.0	18.4
Finland	25.3	24.4	25.0	28.9	29.1	28.7	29.9	31.0	31.7	31.8	31.6
Sweden	28.6	27.4	27.8	29.9	28.4	28.0	29.1	30.0	29.5	29.1	29.4
United Kingdom	26.0	24.6	25.5	28.3	28.6	28.6	28.6	28.0	27.2	27.3	25.8
Iceland	20.5	20.3	20.7	23.3	22.5	23.2	22.9	22.6	23.1	22.2	22.3
Norway	22.1	22.1	21.8	25.6	25.2	24.8	24.6	25.1	26.1	28.0	29.2
Switzerland	24.9	23.9	23.6	25.8	25.9	25.8	26.6	27.4	27.2	27.8	28.0
Serbia	.	.	21.6	23.1	22.6	21.4	22.6	21.9	22.0	20.7	20.3
Turkey (†)	10.8	11.1	11.4	13.5	12.8	12.3	12.5	12.2	12.1	12.0	12.9

(*) data for 2006 and 2007 excluding Croatia

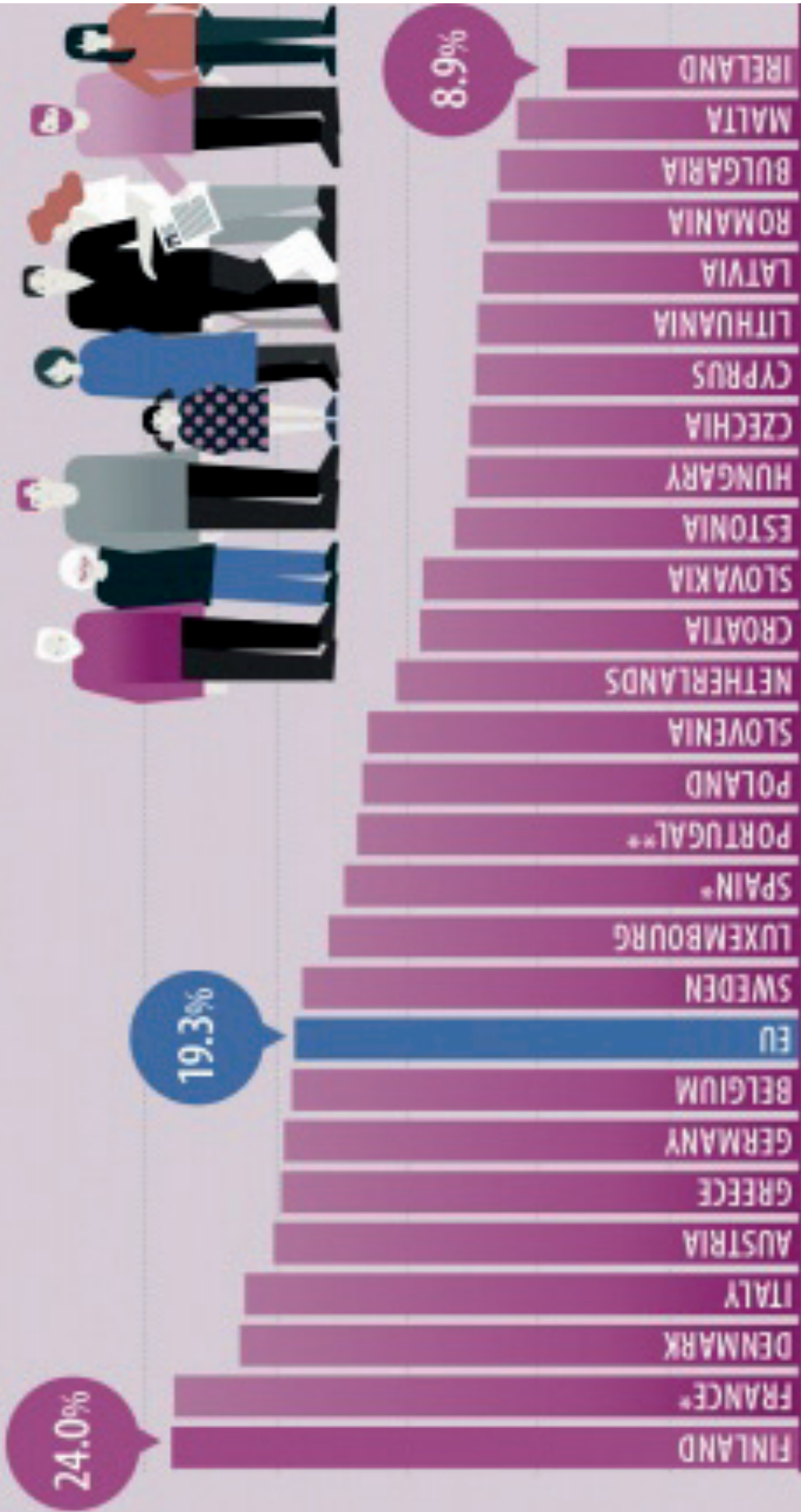
(†) 2007: break in series.

(†) 2015: break in series.

(†) 2008 and 2012: break in series.

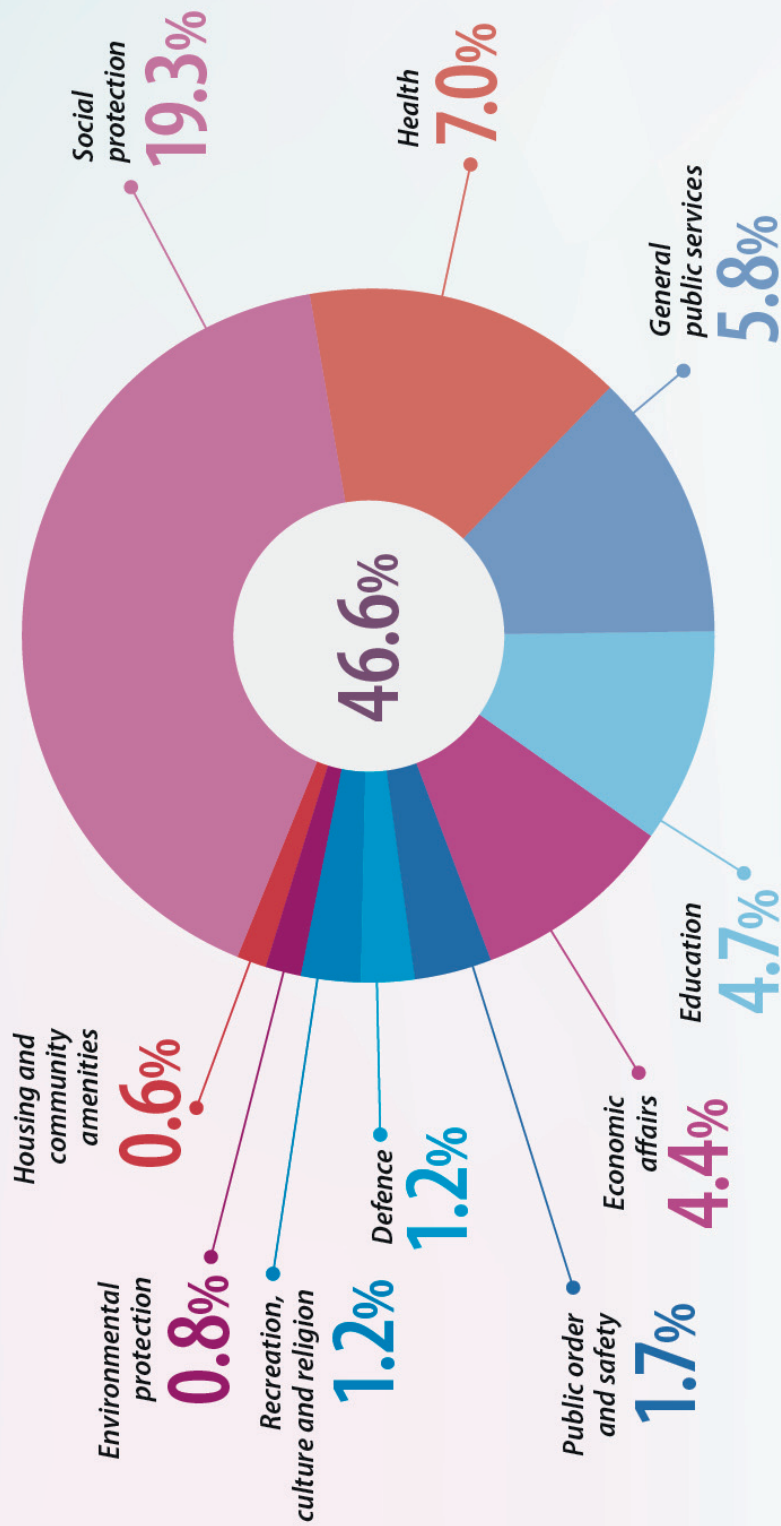
Source: Eurostat (online data code: spr_exp_sum)

Social protection expenditure in 2019 (% of GDP)

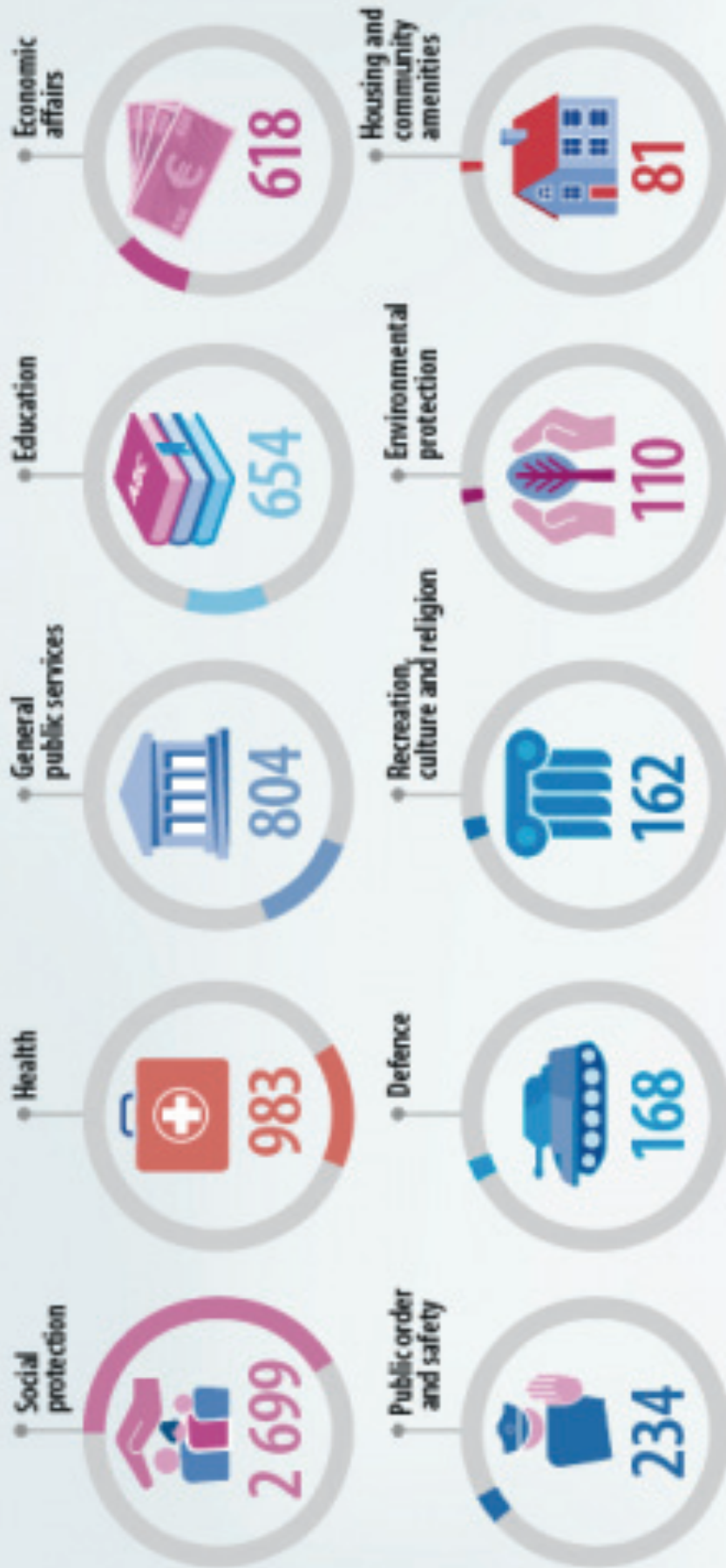


* Provisional data ** Estimated data

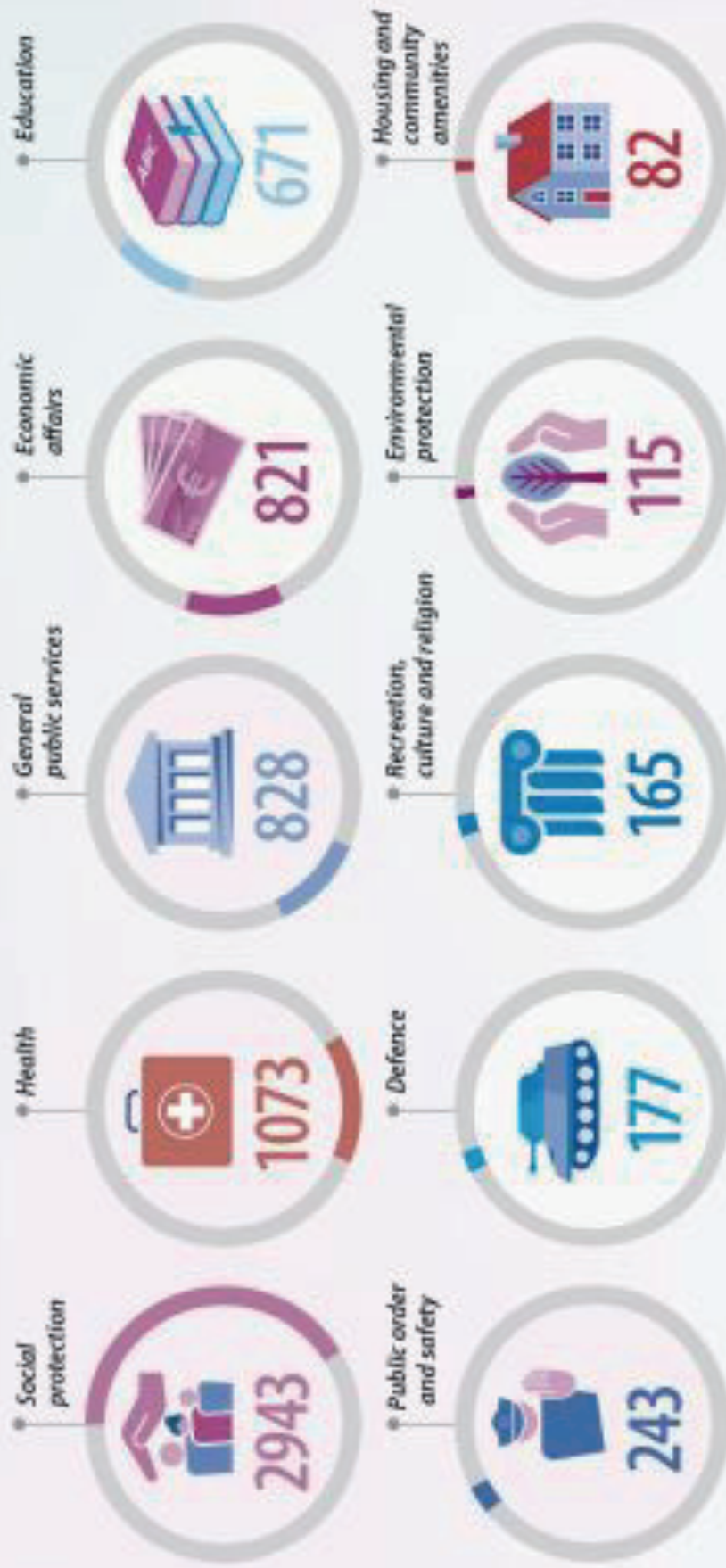
General government expenditure by function in the EU (2019, % of GDP)



General government expenditure by function in the EU (in billion EUR, 2019)



General government expenditure by function in the EU (in € billion, 2020)

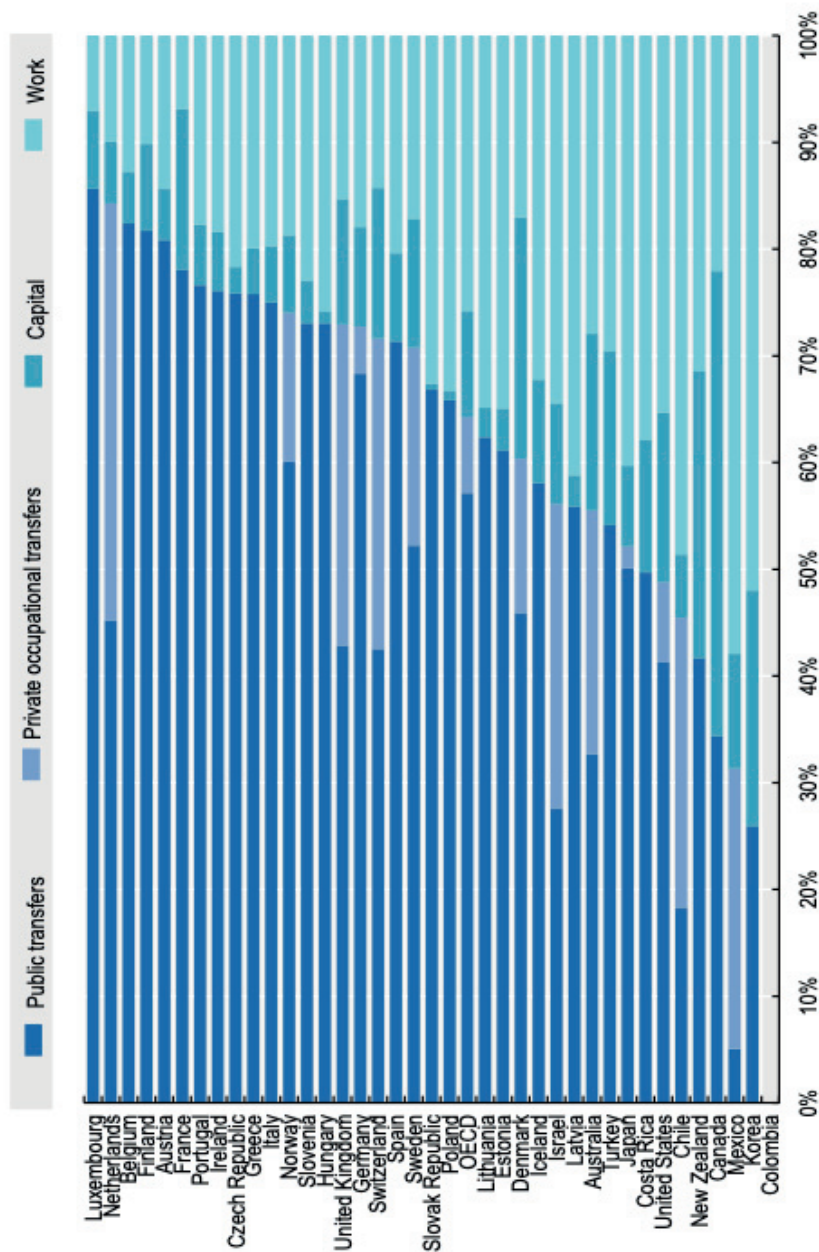


Note: Data are provisional

ec.europa.eu/eurostat

Figure 7.1. Income sources of older people, latest available year

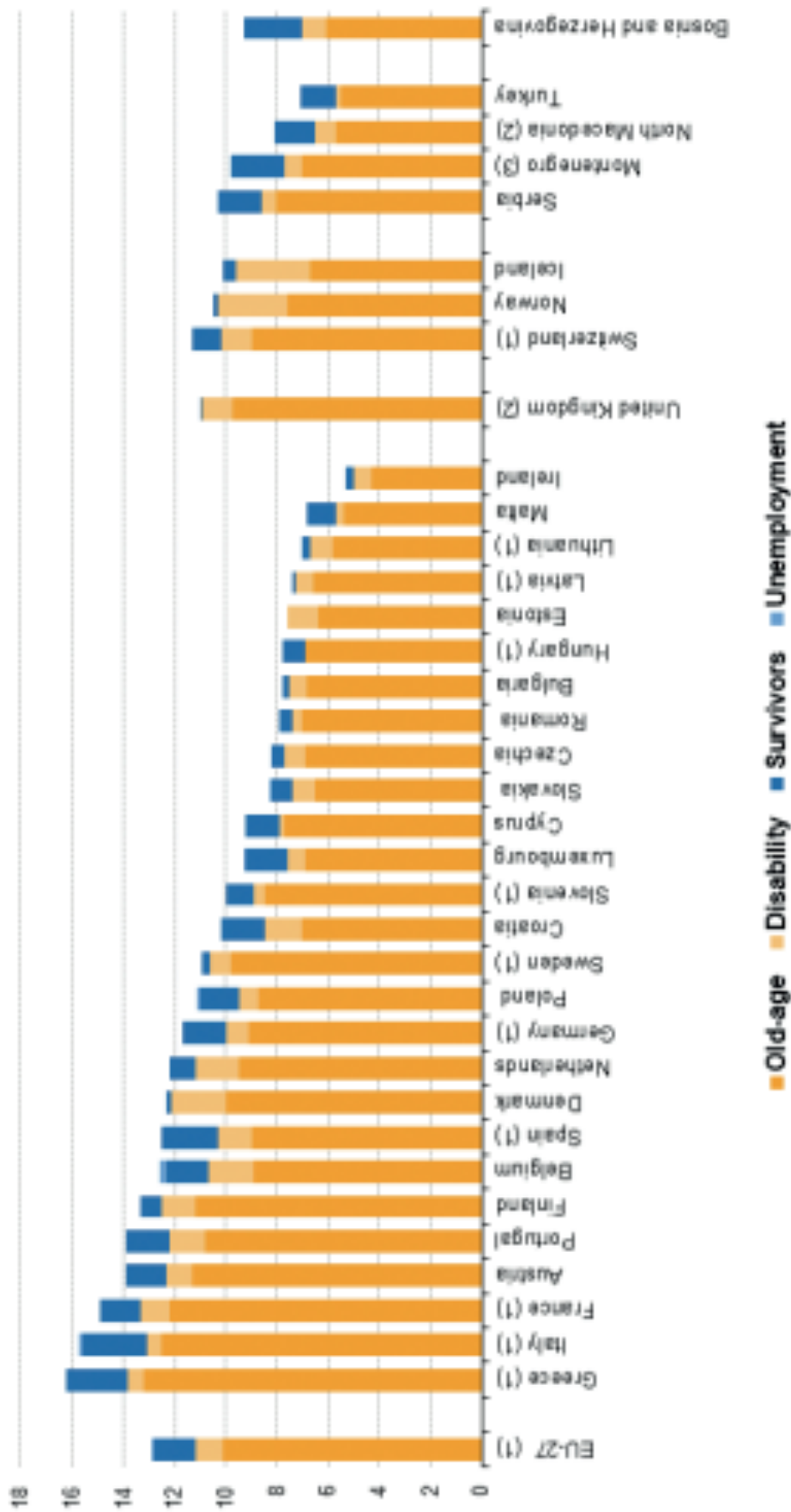
Percentage of total equivalised gross household income and transfers



Note: Income from work includes both earnings (employment income) and income from self-employment. Private occupational transfers include pensions, severance payments, death grants and other. Capital income includes private personal pensions and income from the returns on non-pension savings. Data are for 2018 except for some countries; see note of Table 7.1.

Source: OECD Income Distribution Database, <http://www.oecd.org/social/income-distribution-database.htm> (July 2021 version).

Expenditure on pensions as a share of GDP, by type of pension, 2018 (% of GDP)



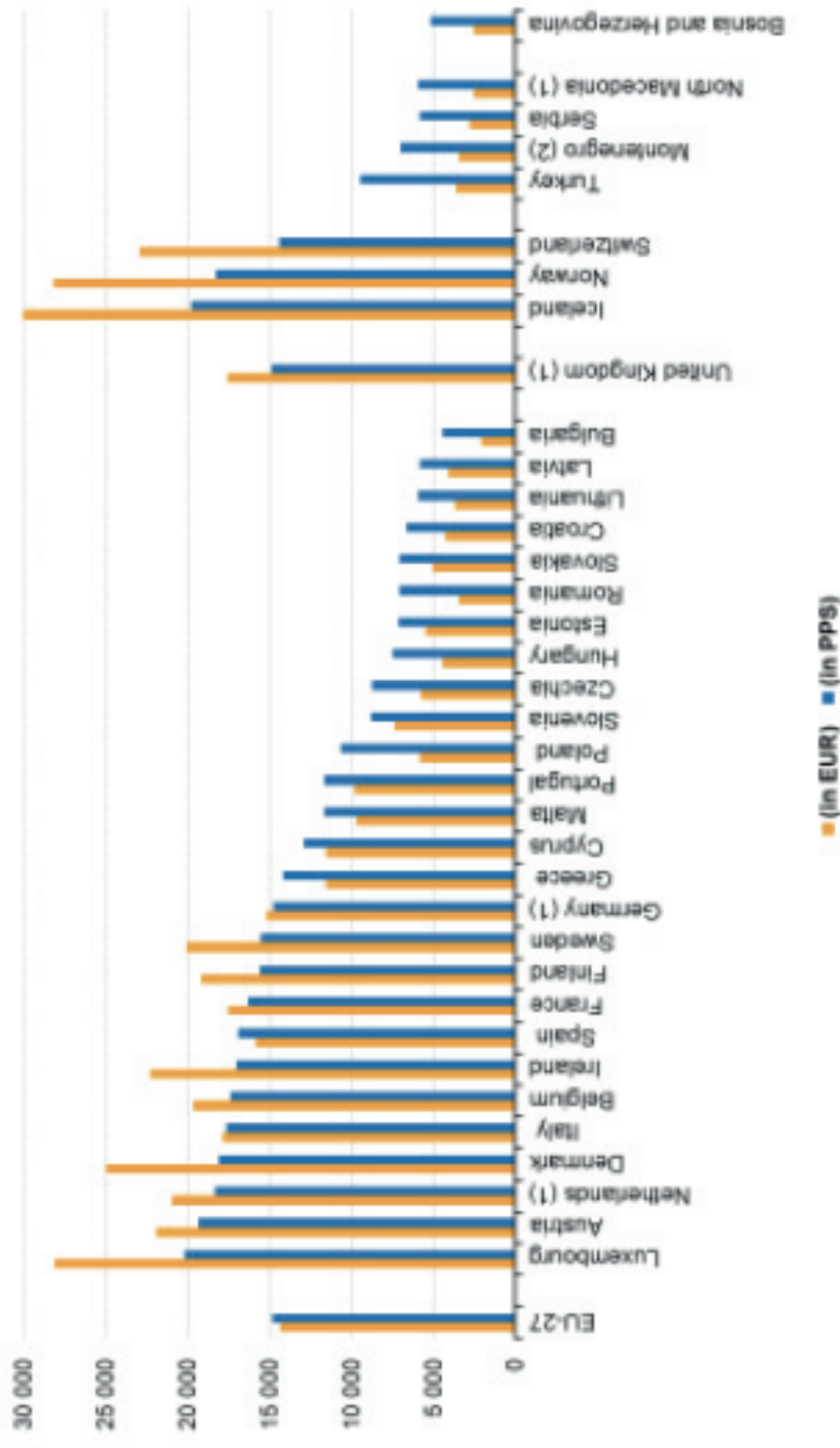
(1) Provisional.

(2) 2017

(3) 2016

Source: Eurostat (online data codes: spr_exp_pens)

Average pension expenditure per beneficiary for old-age pensions, 2018



Note: excluding anticipated old-age and partial pensions.

(1) 2017

(2) 2016

Source: Eurostat (online data codes: spr_pms_ben and spr_exp_pems)

eurostat

Figure 5: Average pension expenditure per beneficiary for old-age

pensions, 2018

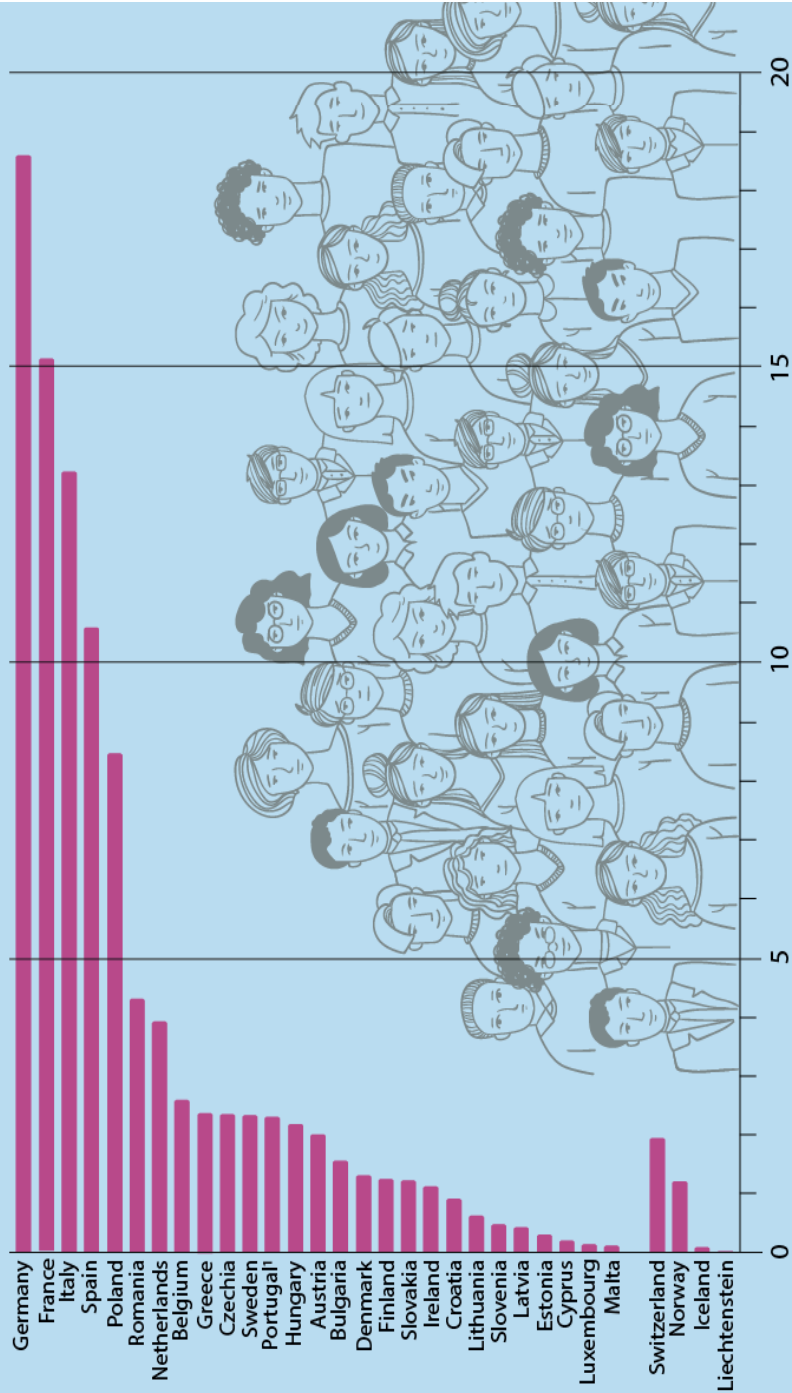
Source: Eurostat (spr_pms_ben) and (spr_exp_pems)

Selected flat-rate state pensions in Northern Europe: comparison of full entitlement for individuals

	April 2022 in national currency	in GBP, March 2022 exch. rate (a)	UK New State Pension (April 2022)	As percentage of: National average wage (2020)
	per week	per week		
United Kingdom: New State Pension				
Individual	£182.60	£182.60	100%	25%
Ireland: State Pension (contributory)				
Individual	€ 248.30	£212.08	116%	26%
Netherlands: AOW pensioen				
Single pensioner	€ 297.47	£254.07	139%	31%
Each member of pensioner couple	€ 203.38	£173.71	95%	21%
Denmark: Folkepension				
Basic amount Individual	1,507 kr.	£173.06	95%	18%
Basic amount plus full means-tested pension supplement				
Single pensioner	3,227 kr.	£370.59	203%	36%
Each member of pensioner couple	2,381 kr.	£273.43	150%	28%

Population

(% of EU population, 1 January 2022)

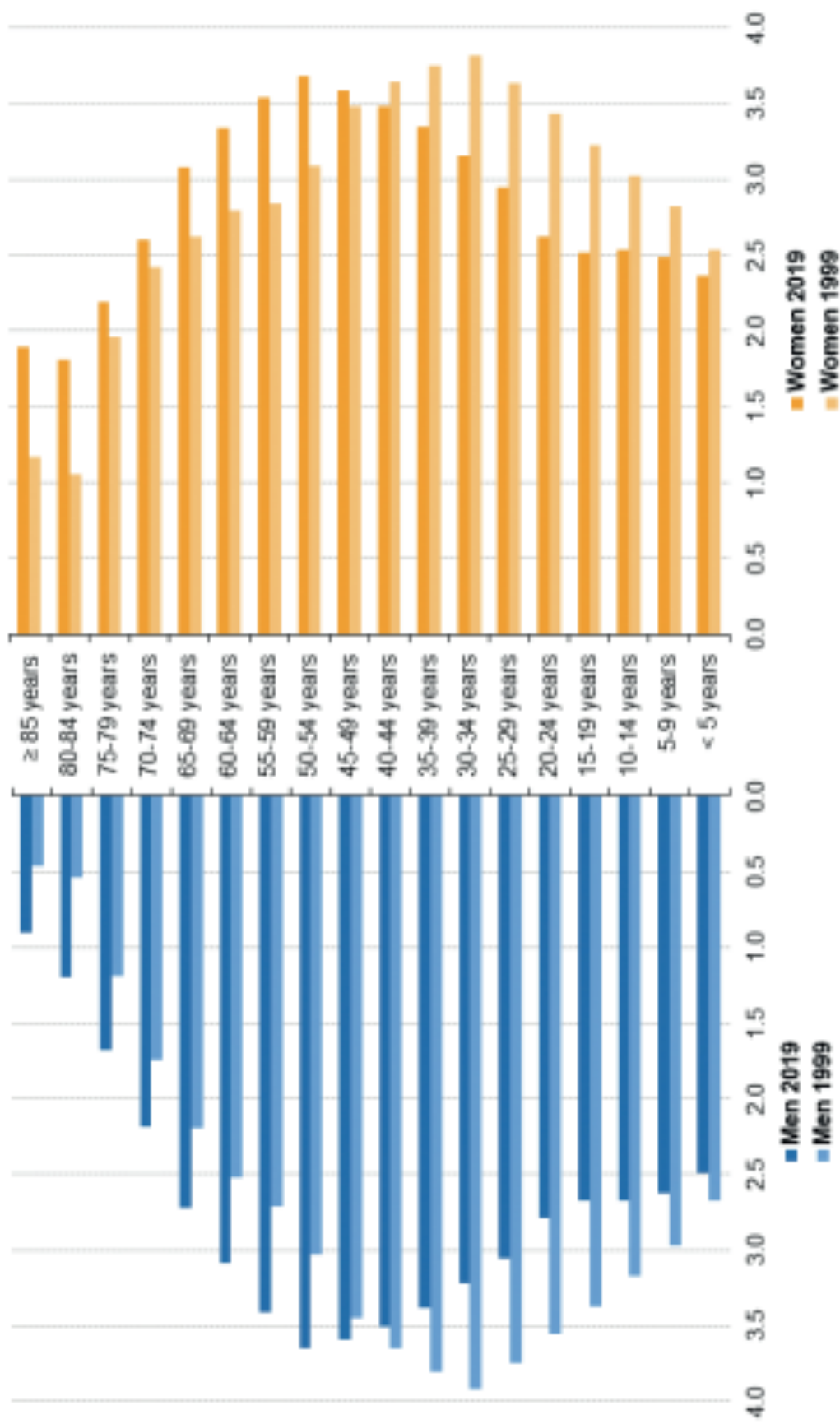


¹Population on 1.1.2022 is based on the provisional results of the Census 2021.

Population age structure by major age groups, 2009 and 2019
(of the total population)

	0–14 years old		15–64 years old		65 years old or over	
	2009	2019	2009	2019	2009	2019
-27 (*)	15.4	15.2	67.0	64.6	17.4	20.3
Algium (*)	16.9	16.9	66.0	64.2	17.1	18.9
Algaria	13.1	14.4	68.9	64.3	18.0	21.3
Aechia	14.2	15.9	71.0	64.6	14.9	19.6
Almark	18.3	16.5	65.9	63.9	15.9	19.6
Almany (*)	13.6	13.6	66.0	64.9	20.4	21.5
Altonia (*)	14.9	16.4	67.6	63.8	17.4	19.8
Aland	20.6	20.5	68.5	65.4	10.9	14.1
Aeace	14.6	14.3	66.6	63.6	18.8	22.0
Aain	14.8	14.8	68.6	65.8	16.6	19.4
Aince (*)	18.5	18.0	64.9	61.9	16.5	20.1
Apatia	15.4	14.4	66.7	65.0	17.9	20.6
Aly	14.1	13.2	65.6	64.1	20.3	22.8
Aprus	17.7	16.1	69.9	67.8	12.5	16.1
Arvia	14.1	15.9	68.2	63.9	17.8	20.3
Aruania	15.1	15.1	67.8	65.1	17.2	19.8
Asembourg (*)	18.0	16.1	68.1	69.6	14.0	14.4
Angary (*)	14.9	14.5	68.8	66.0	16.4	19.3
Alta	15.6	13.7	70.1	67.6	14.2	18.7
Atherlands	17.7	15.9	67.3	64.9	15.0	19.2
Astria	15.1	14.4	67.5	66.7	17.4	18.8
Aland (*)	15.3	15.4	71.1	67.0	13.5	17.7
Alrtugal	15.4	13.7	66.5	64.4	18.0	21.8
Almania	15.8	15.7	68.1	65.8	16.1	18.5
Alwenia (*)	14.0	15.1	69.7	65.2	16.4	19.8
Alwakia	15.6	15.7	72.1	68.2	12.2	16.0
Aland	16.7	16.0	66.5	62.2	16.7	21.8
Areden	16.7	17.8	65.6	62.3	17.8	19.9
Aited Kingdom	17.7	17.9	66.2	63.7	16.1	18.4
Ailand	20.8	19.0	67.5	66.8	11.6	14.2
Aichtenstein	16.4	14.7	70.7	67.3	12.9	17.9
Airway	19.0	17.5	66.3	65.2	14.7	17.2

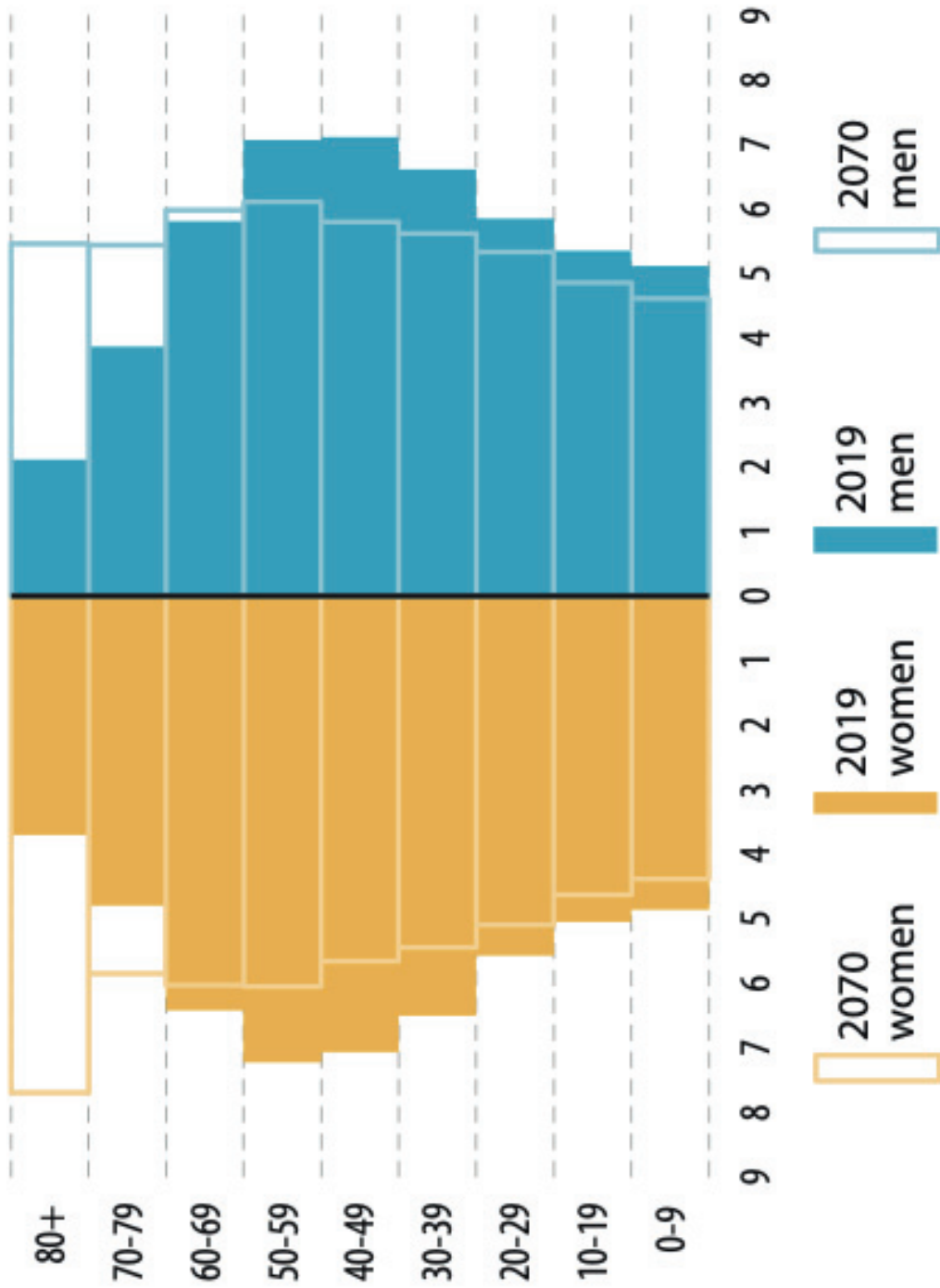
Population structure by five-year age groups and sex, EU-27, 1999 and 2019 (% share of total population)



Note: all data as of 1 January. 1999: excluding Croatia. 2019: provisional. Breaks in series.

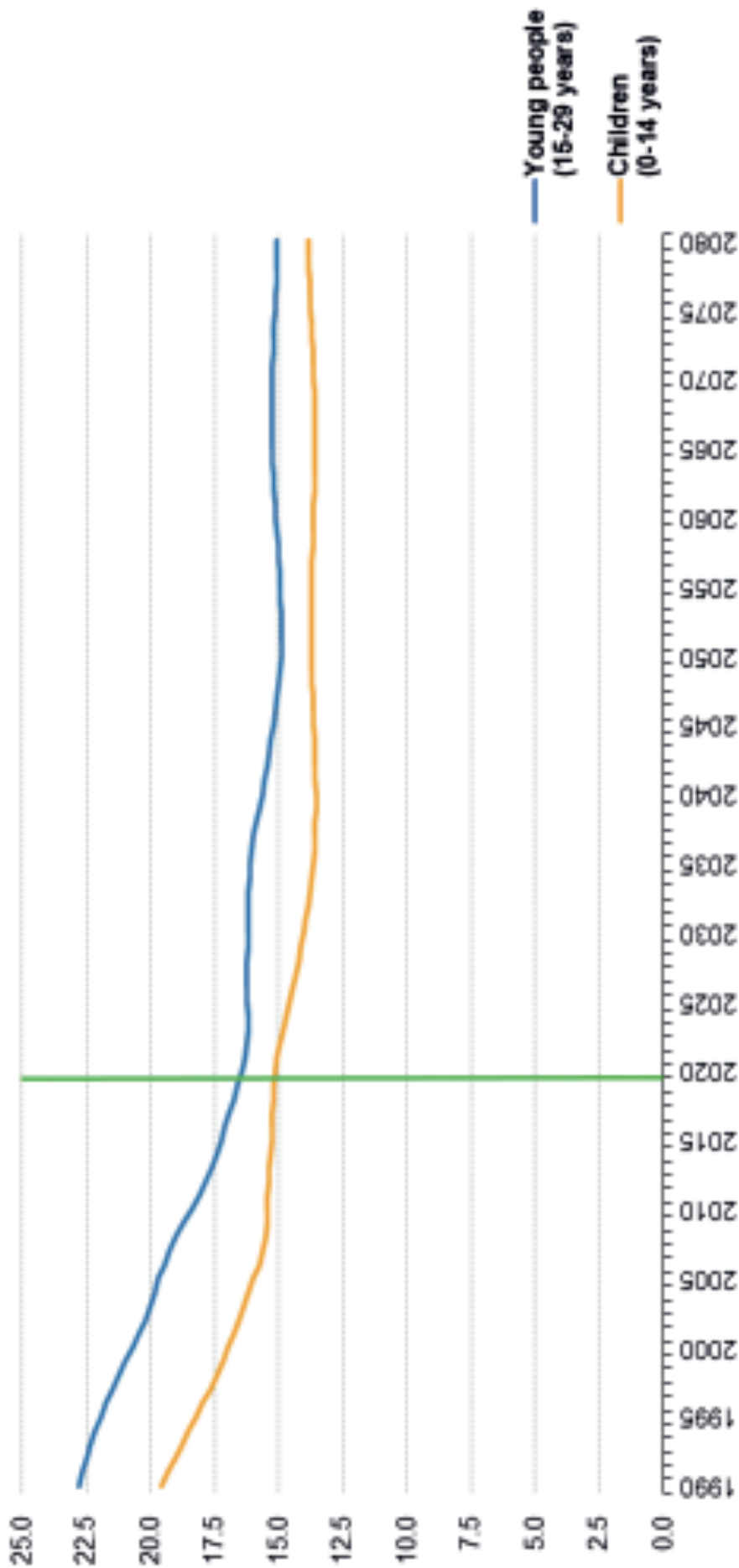
Source: Eurostat (online data code: demo_pjangroup)

Population pyramids, age group share of total population (%)



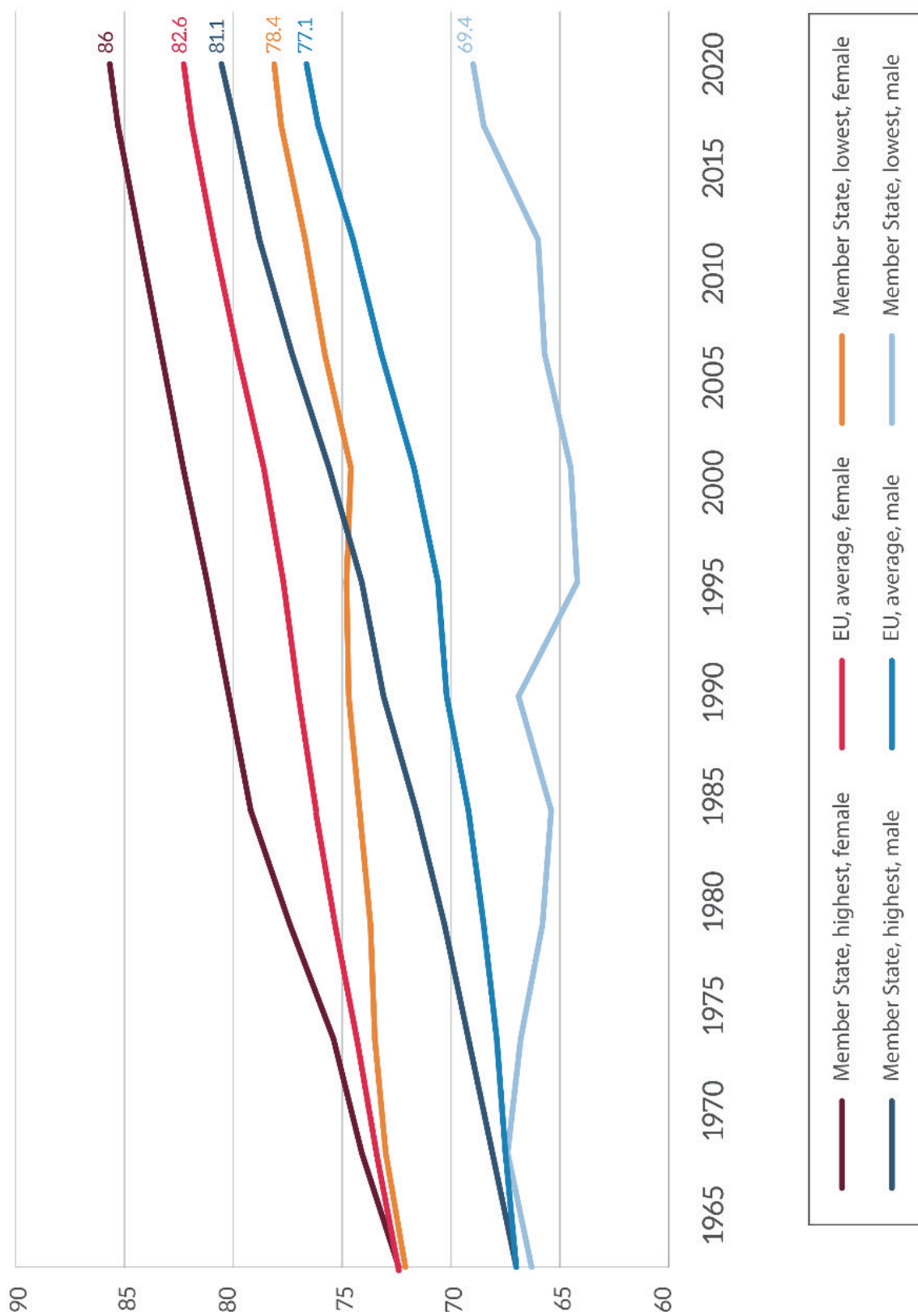
Children and young people in the population, EU-27, 1990-2080

(% share of total population)




Note: all data as of 1 January. 1990: excluding French overseas territories and Croatia. 1991-2000: excluding Croatia. 2018 and 2019: provisional. 2020-2080: projections. Breaks in series.

Source: Eurostat (online data codes: demo_pjangroup and proj_19np)

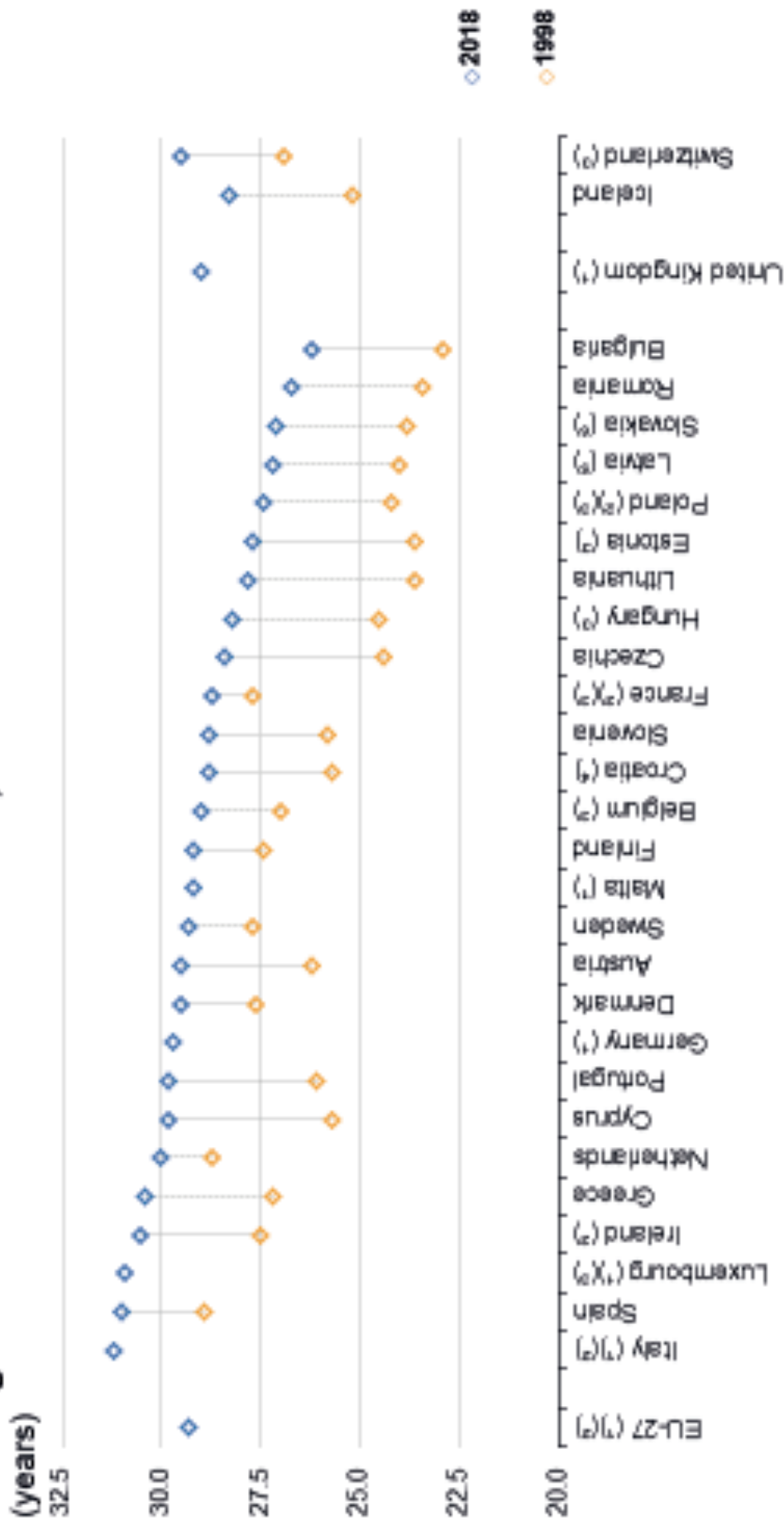


Life expectancy gender gap 2019



+	 LITHUANIA	9.6 years	81.2	71.6
-	 NETHERLANDS	3.1 years	83.7	80.6

Mean age of women at birth of first child, 1998 and 2018



(1) 1998: not available.
 (2) 2018: estimate or provisional.
 (*) Break in series.

Share of women in the EU population 2021



229 million

51 %



 **LATVIA** 54 %

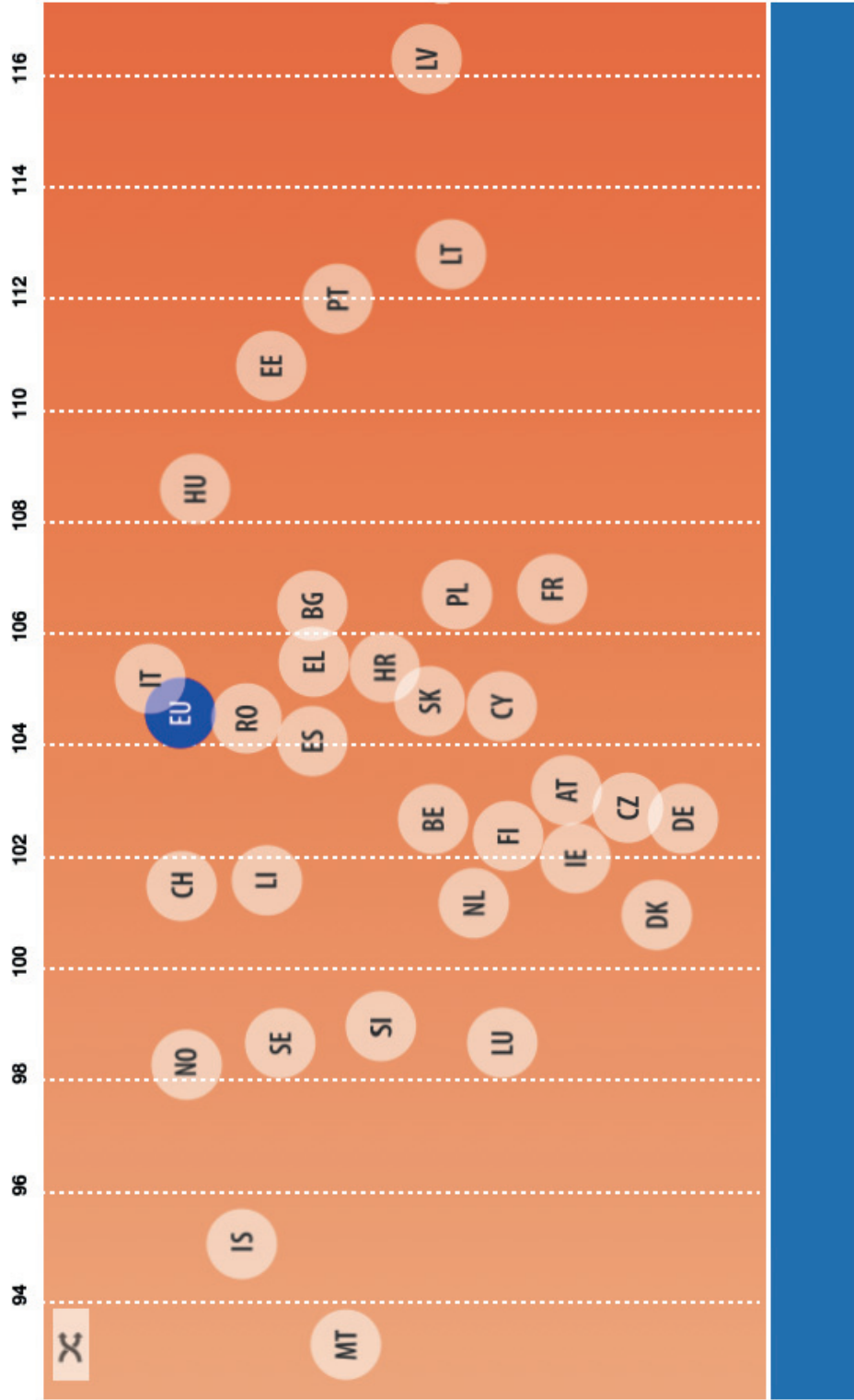


 **MALTA** 48 %

#InternationalWomensDay ec.europa.eu/eurostat 



Women per 100 men, 2021

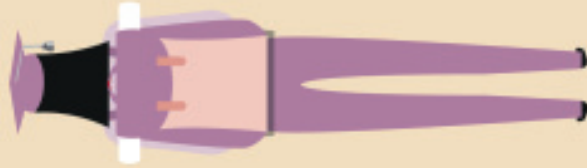


Gender gap in tertiary education

2020



Share of women and men aged 30-34
having completed tertiary education



46% — 10 — 36%
percentage points
(pp)



 **ESTONIA**

57%

24 pp

33%



 **GERMANY**

36%

0 pp

36%

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Gender employment gap 2020

EU 

Employment rate of men and women
aged 20-64 (%)



ITALY

52.1% 19.7 pp **71.8%**



LITHUANIA

75.8% 1.7 pp **77.5%**

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Gender pay gap: How much less do women earn than men?



Difference between average gross hourly earnings of male and female employees (as % of male gross earnings)*

ESTONIA	21.7
LATVIA	21.2
AUSTRIA	19.9
GERMANY	19.2
CZECHIA	18.9
SLOVAKIA	18.4
SWITZERLAND*	18.3
HUNGARY	18.2
FINLAND	16.6
FRANCE	16.5
NETHERLANDS	14.6
EU-27	14.1
BULGARIA	14.1
DENMARK	14.0
ICELAND*	13.8
LITHUANIA	13.3
NORWAY*	13.2
SPAIN	11.9
SWEDEN	11.8
MALTA	11.6
CROATIA	11.5
IRELAND	11.3
PORTUGAL	10.6
GREECE	10.4
CYPRUS	10.1
POLAND	8.5
SLOVENIA	7.9
BELGIUM	5.8
ITALY	4.7
ROMANIA	3.3
LUXEMBOURG	1.3

Data refer to 2019.

*Non-EU countries

Switzerland, Iceland and Norway, 2018 data.

*Non-economic activity, construction and services except public administration and defence and compulsory social security. For all the countries except Czechia and Iceland data for enterprises employing 10 or more employees. Czechia and Iceland data for enterprises employing 1 or more employees.

Source: Eurostat (online data code: s06_10_20)

Households with children in the EU

(2021 data)



49%
have 1 child



39%
have 2 children

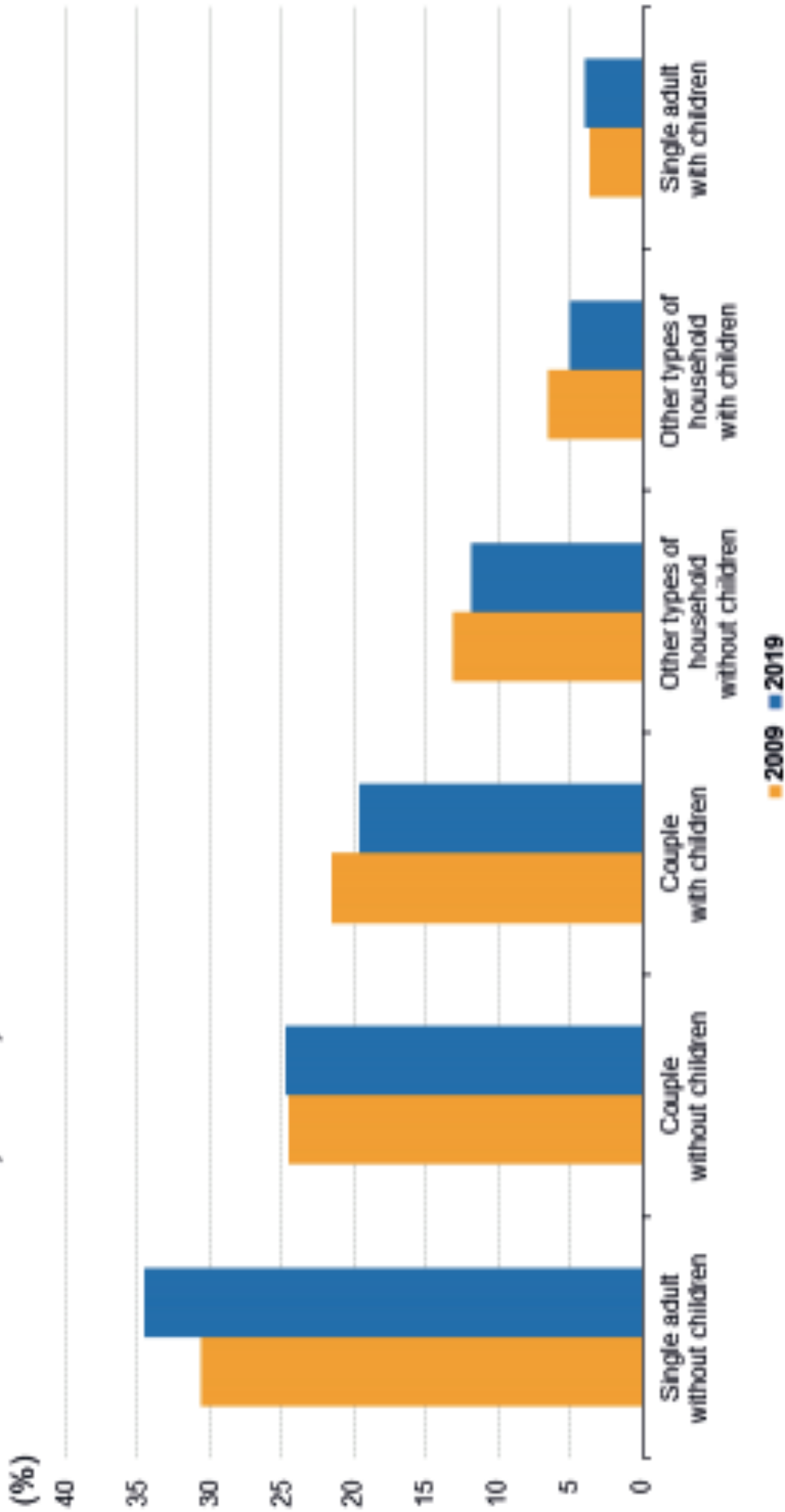


12%
have 3 or
more children



13%
of all these are
single-parent
households

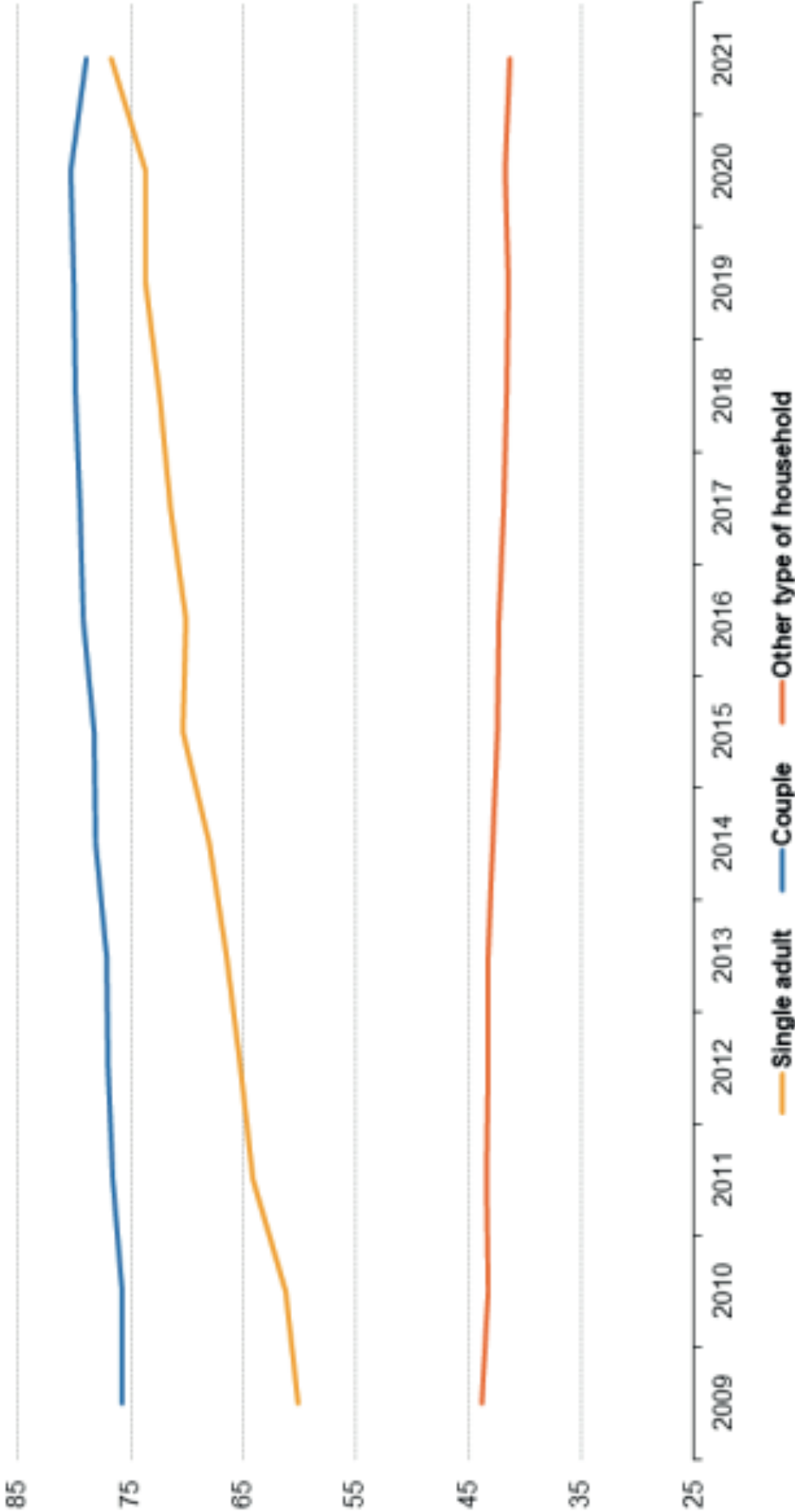
Private households, EU-27, 2009 and 2019



Source: Eurostat (online data code: ifst_nhhhtyich)

Households by type, EU, 2009 - 2021

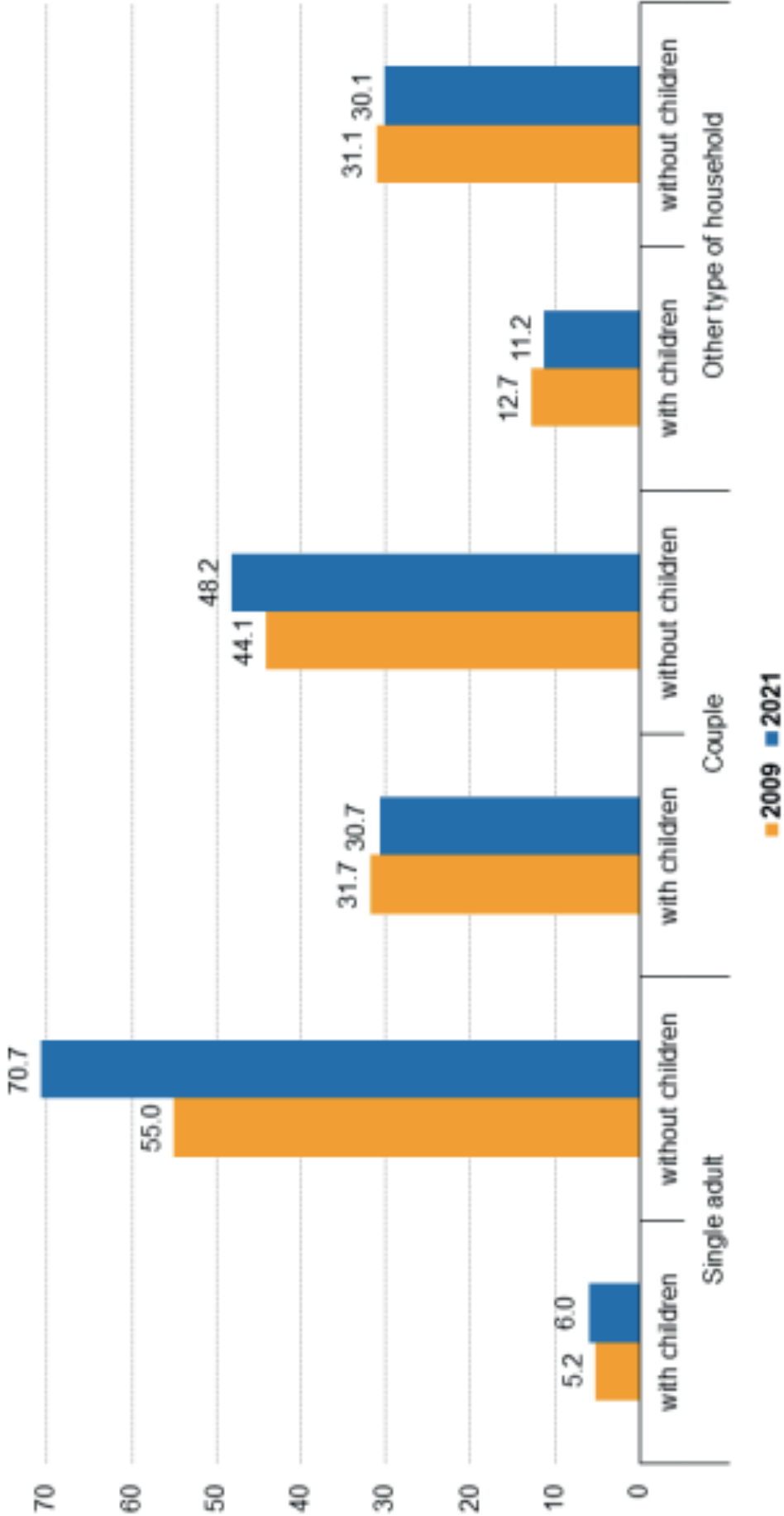
(in millions)



Break in the data series in 2021 due to the implementation of Regulation (EU) 2019/1700.

Source: Eurostat (online data code: flst_hhnttych)

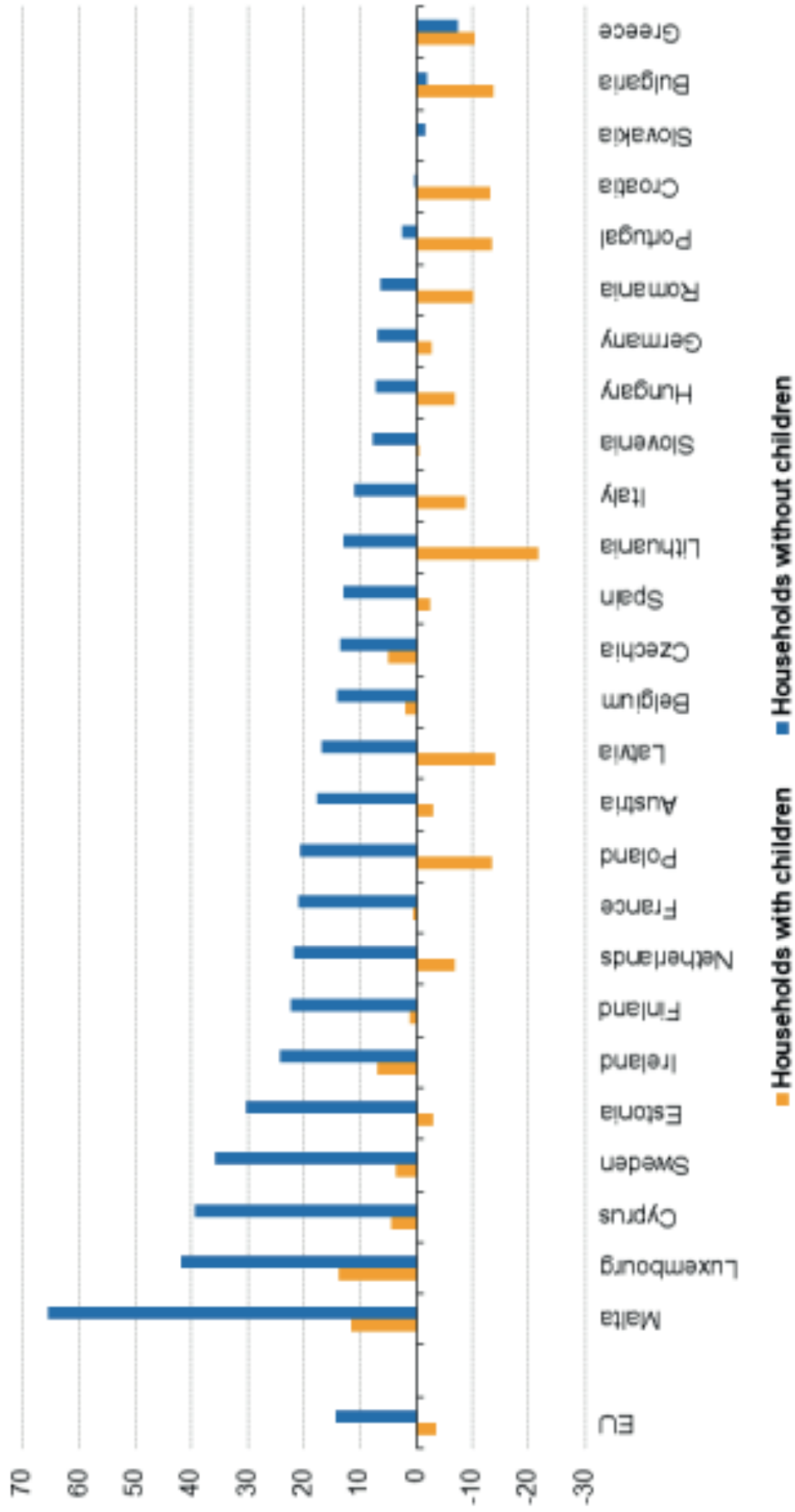
Households by type and presence of children, EU, 2009 and 2021 (in millions)



Break in the data series in 2021 due to the implementation of Regulation (EU) 2019/1700.

Source: Eurostat (online data code: flst_hhnttych)

Growth rate of households with and without children (change between 2009 and 2021, in %)



No data available for 2009 for Denmark and Serbia.
 Break in the data series in 2021 due to the implementation of Regulation (EU) 2019/1700.
 Source: Eurostat (online data code: ifst_hnnhtych)

Immigration by citizenship, 2020

	Total immigrants		Nationals		Total		Citizens of other EU Member States		Non-nationals		Citizens of non-EU countries		Stateless	
	(thousand)	(%)	(thousand)	(%)	(thousand)	(%)	(thousand)	(%)	(thousand)	(%)	(thousand)	(%)	(thousand)	(%)
Belgium	118.7	17.1	14.4	191.0	85.1	56.6	47.7	44.4	37.4	0.0	37.4	0.0	0.0	0.0
Bulgaria (*)	37.4	24.0	64.3	13.4	35.7	0.9	2.4	12.4	30.3	0.0	30.3	0.0	0.0	0.1
Czechia	63.1	3.3	5.2	59.8	94.8	17.9	28.4	41.9	66.5	0.0	66.5	0.0	0.0	0.0
Denmark	57.2	18.4	33.9	37.8	66.1	21.5	37.6	16.2	28.2	0.1	28.2	0.1	0.2	0.2
Germany (**)	729.8	145.3	19.9	580.7	79.7	302.9	41.6	277.3	38.1	0.6	38.1	0.6	0.1	0.1
Estonia	16.2	5.9	38.4	9.8	60.5	3.4	21.0	6.4	39.5	0.0	39.5	0.0	0.0	0.0
Ireland	74.2	30.6	41.3	42.8	57.6	18.8	25.4	23.9	32.3	0.0	32.3	0.0	0.0	0.0
Greece	84.2	20.9	24.8	63.4	75.2	7.5	8.9	55.9	66.3	0.0	66.3	0.0	0.0	0.0
Spain	467.9	52.8	11.3	415.2	88.7	83.6	17.9	331.2	70.8	0.3	70.8	0.3	0.1	0.1
France	283.2	82.7	29.2	290.5	70.8	51.4	18.1	149.1	52.6	0.0	52.6	0.0	0.0	0.0
Croatia	33.4	8.5	25.3	24.9	74.7	3.8	11.4	21.1	63.3	0.0	63.3	0.0	0.0	0.0
Italy	247.5	55.8	22.5	191.8	77.5	42.6	17.2	149.1	60.2	0.0	60.2	0.0	0.0	0.0
Cyprus	25.9	3.1	12.0	22.8	68.0	9.1	35.0	13.7	53.0	0.0	53.0	0.0	0.0	0.0
Lithuania	8.8	4.3	48.1	4.6	51.6	0.5	5.7	4.1	45.9	0.0	45.9	0.0	0.0	0.0
Lithuania	43.1	20.8	48.3	22.3	51.7	0.9	2.2	21.3	49.5	0.0	49.5	0.0	0.1	0.1
Luxembourg	22.5	1.5	6.8	20.9	63.0	14.3	63.5	6.6	29.6	0.0	29.6	0.0	0.0	0.0
Hungary	75.5	31.7	42.0	43.8	58.0	17.1	22.7	26.7	35.3	0.0	35.3	0.0	0.0	0.0
Malta	13.9	1.1	8.0	12.8	92.0	5.3	38.3	7.5	53.7	0.0	53.7	0.0	0.0	0.0
Netherlands	182.2	45.5	25.0	135.9	74.6	75.6	41.5	59.9	32.9	0.5	32.9	0.5	0.2	0.2
Austria	103.6	10.1	9.7	93.4	90.2	64.3	62.1	28.9	27.9	0.1	27.9	0.1	0.1	0.1
Poland (**)	210.0	52.2	24.8	158.3	75.2	73.8	35.0	84.5	40.1	0.0	40.1	0.0	0.0	0.0
Portugal	67.2	24.5	36.5	42.7	63.5	7.7	11.5	34.9	52.0	0.0	52.0	0.0	0.0	0.0
Romania (*)	145.5	114.5	78.7	30.8	21.2	6.1	4.2	24.7	17.0	0.0	17.0	0.0	0.0	0.0
Slovenia	36.1	11.4	31.5	24.8	68.5	3.1	8.5	21.7	60.0	0.0	60.0	0.0	0.0	0.0
Slovakia (*)	6.8	3.9	58.2	2.8	41.8	2.1	30.8	0.7	11.0	0.0	11.0	0.0	0.0	0.0
Finland	32.9	9.6	29.3	23.2	70.4	6.4	19.3	16.8	50.9	0.1	50.9	0.1	0.2	0.2
Sweden	82.5	16.7	20.3	65.5	79.4	19.1	23.1	45.9	55.7	0.5	55.7	0.5	0.6	0.6
Iceland	8.5	2.1	24.3	6.5	75.6	4.6	53.9	1.9	21.8	0.0	21.8	0.0	0.0	0.0
Liechtenstein	0.7	0.2	24.7	0.5	75.3	0.3	39.1	0.3	36.2	0.0	36.2	0.0	0.0	0.0
Norway	36.3	6.3	17.5	29.9	82.5	15.7	43.2	14.2	39.0	0.1	39.0	0.1	0.3	0.3
Switzerland	139.8	25.5	18.4	113.3	81.6	79.6	56.7	34.6	25.0	0.0	25.0	0.0	0.0	0.0

Note: The individual values do not add up to the total due to rounding and the exclusion of the 'unknown' citizenship group from the table.

(*) Provisional.

(**) Estimate.

(*) Break in series.

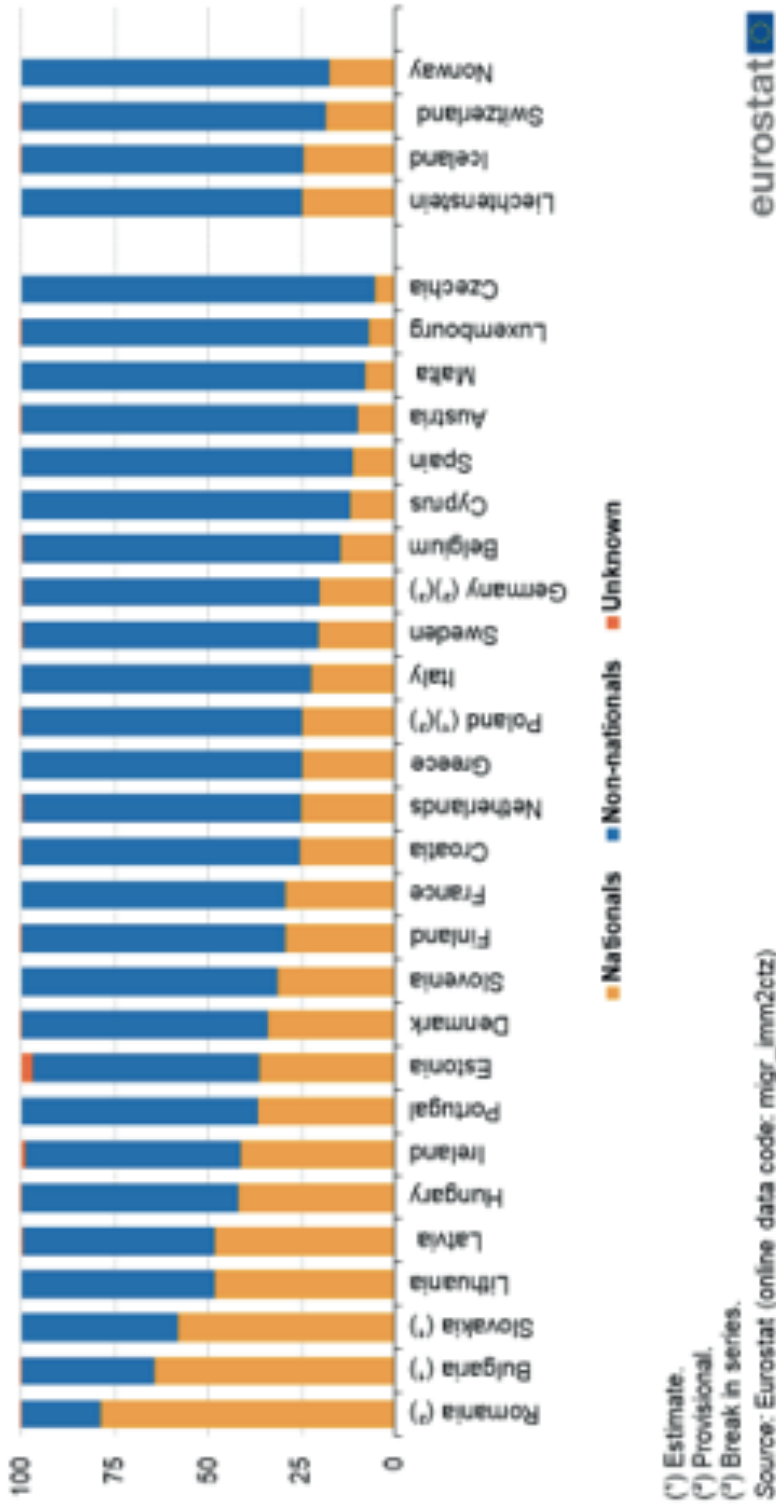
Source: Eurostat (online data code: migr_imm1ctz)

Table 1: Immigration by citizenship, 2020

Source: Eurostat (migr_imm1ctz)

Distribution of immigrants by citizenship, 2020

(% of all immigrants)



(*) Estimate.

(*) Provisional.

(*) Break in series.

Source: Eurostat (online data code: migr_imm2ctz)

Figure 3: Distribution of immigrants by citizenship, 2020

(% of all immigrants)

Source: Eurostat (migr_imm2ctz)

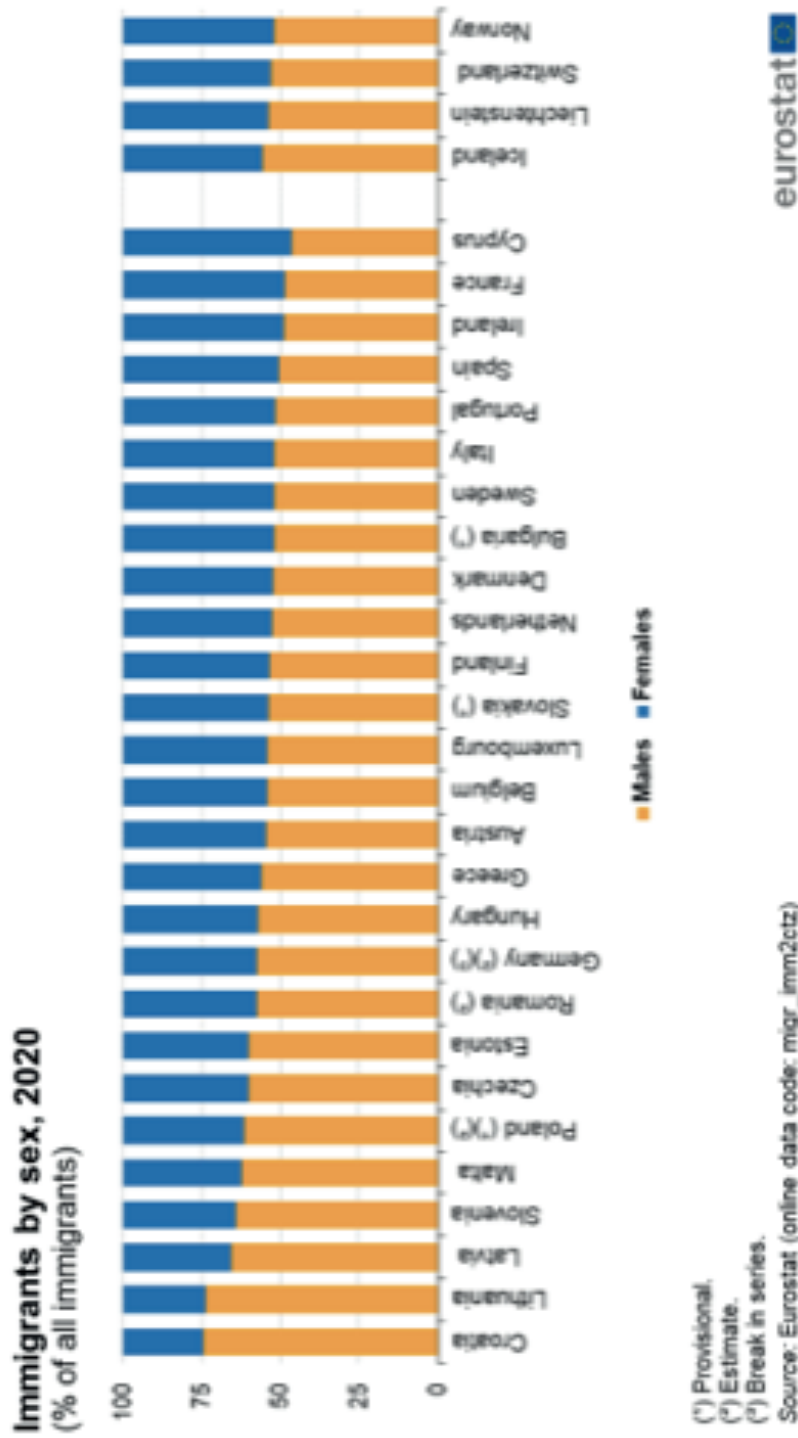


Figure 4: Immigrants by sex, 2020
(% of all immigrants)

Source: Eurostat ([migr_imm2ctz](#))

Non-national population by group of citizenship, 1 January 2021

	Total		Citizens of another EU Member State		Citizens of a non-EU country		Stateless	
	(thousand)	(% of the population)	(thousand)	(% of the population)	(thousand)	(% of the population)	(thousand)	(% of the population)
Belgium	1 464.2	12.7	943.6	8.2	519.7	4.5	3.8	0.0
Bulgaria	1 14.8	1.7	10.7	0.2	102.3	1.5	0.2	0.0
Czechia	625.5	5.8	243.6	2.3	381.9	3.6	0.9	0.0
Denmark	539.4	9.2	216.3	3.7	314.6	5.4	27.2	0.5
Germany	10 585.1	12.7	4 461.4	5.4	6 112.3	7.4	51.7	0.1
Estonia	200.5	15.1	20.3	1.5	180.1	13.5	0.4	0.0
Ireland	649.7	13.0	349.9	7.0	299.2	6.0	2.1	0.0
Greece	921.5	8.6	168.6	1.6	752.9	7.1	1.8	0.0
Spain	5 368.3	11.3	1 733.1	3.7	3 633.1	7.7	32.7	0.1
France (*)	5 215.2	7.7	1 480.0	2.2	3 735.2	5.5	49.3	0.1
Croatia	98.7	2.4	21.3	0.5	76.6	1.9	0.5	0.0
Italy	5 171.9	8.7	1 406.6	2.4	3 764.8	6.4	9.7	0.0
Cyprus	165.6	18.5	96.4	10.8	69.1	7.7	0.7	0.1
Latvia	252.4	13.3	6.3	0.3	246.0	13.0	0.2	0.0
Lithuania	79.9	2.9	8.3	0.3	70.8	2.5	0.2	0.0
Luxembourg	299.2	47.1	244.2	38.5	54.9	8.6	1.1	0.2
Hungary	194.2	2.0	75.7	0.8	118.4	1.2	2.3	0.0
Malta	103.7	20.1	42.7	8.3	61.0	11.8	0.7	0.1
Netherlands	1 171.4	6.7	599.6	3.4	565.8	3.2	6.2	0.0
Austria	1 517.4	17.0	793.7	8.9	719.4	8.1	10.0	0.1
Poland (**)	457.0	1.2	82.2	0.2	374.2	1.0	3.9	0.0
Portugal	682.1	6.4	158.6	1.5	503.5	4.9	1.1	0.0
Romania (*)	144.5	0.8	60.5	0.3	83.8	0.4	1.3	0.0
Slovenia	168.7	8.0	21.1	1.0	147.5	7.0	0.1	0.0
Slovakia	82.1	1.5	60.1	1.1	20.5	0.4	1.3	0.0
Finland	277.2	5.0	98.7	1.8	177.2	3.2	1.6	0.0
Sweden	892.3	8.6	299.2	2.9	578.7	5.6	38.7	0.4
Iceland	51.3	13.9	41.1	11.2	10.1	2.8	0.4	0.1
Liechtenstein	13.5	34.5	7.1	18.1	6.4	16.4	3.8	9.7
Norway	601.5	11.2	360.5	6.7	239.3	4.4	9.8	0.2
Switzerland	2 208.9	25.5	1 414.2	16.3	794.2	9.2	4.2	0.0

Note: The values for the different categories of citizenship may not sum to the total due to rounding and the exclusion of the 'unknown' citizenship group from the table.

(*) Provisional.

(**) Estimate.

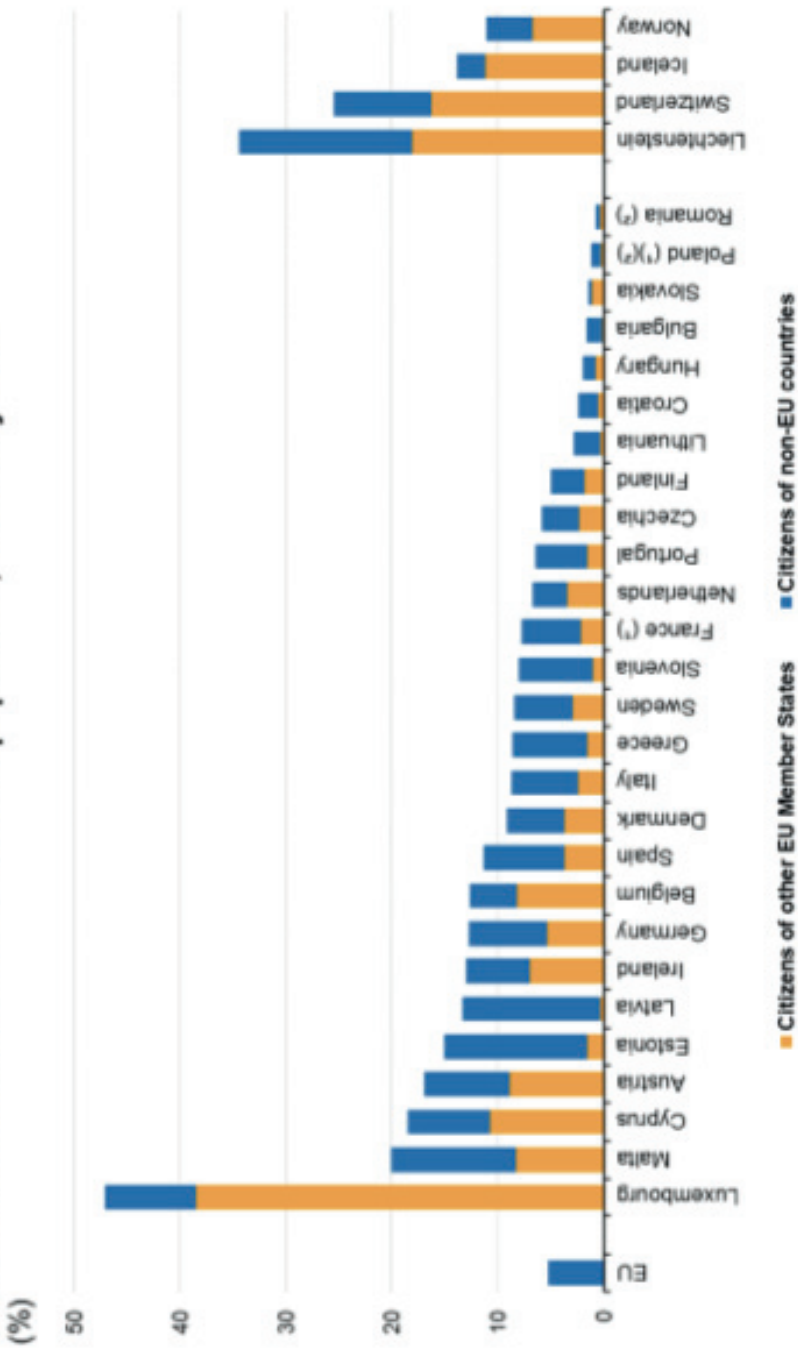
Source: Eurostat (online data code: migr_pop1ctz)

eurostat

Table 4: Non-national population by group of citizenship, 1 January 2021

Source: Eurostat (migr_pop1ctz)

Share of non-nationals in the resident population, 1 January 2021



(*) Provisional.

(*) Estimate.

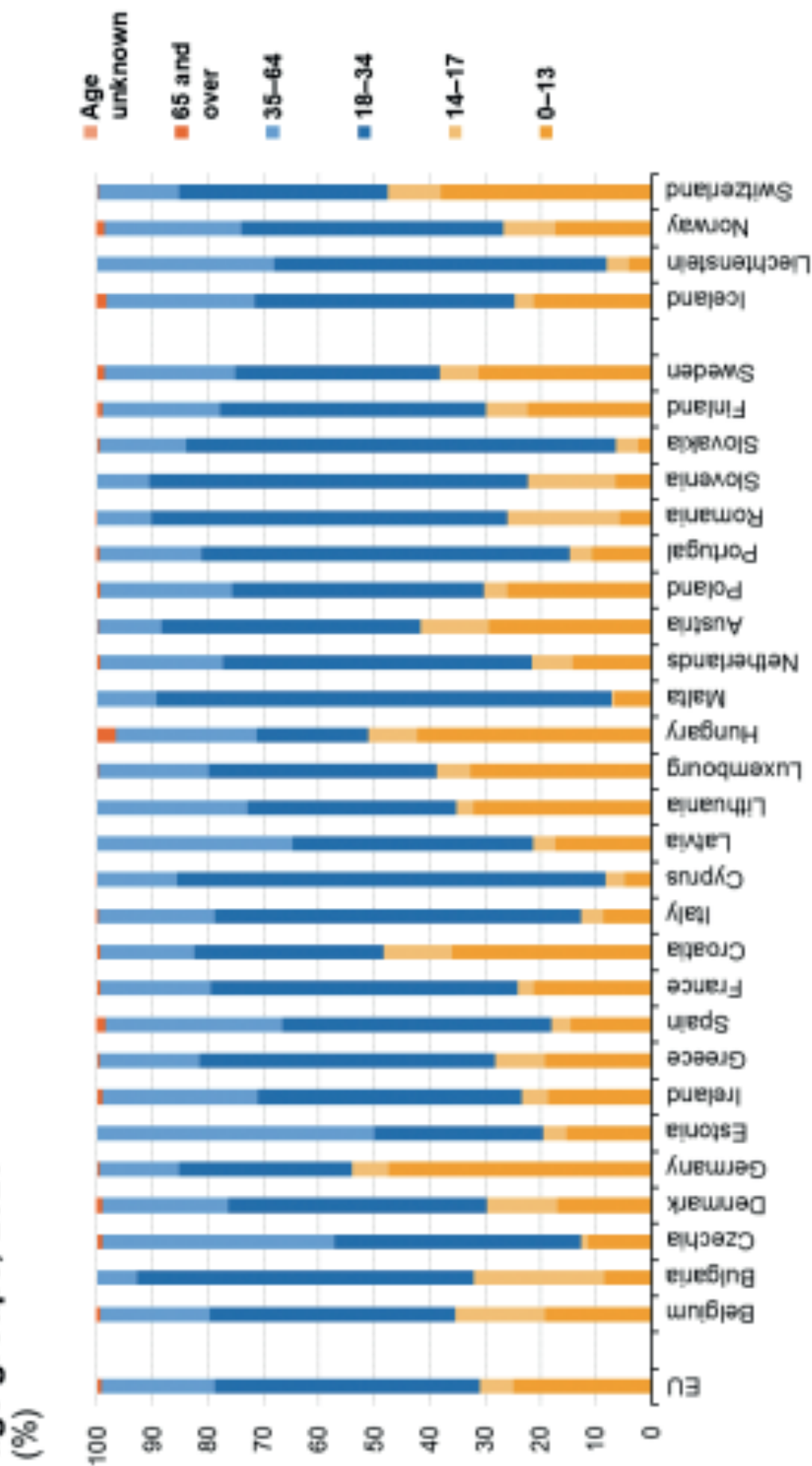
Source: Eurostat (online data code: migr_pop1ctz)

Figure 6: Share of non-nationals in the resident population, 1 January 2021

(%)

Source: Eurostat (migr_pop1ctz)

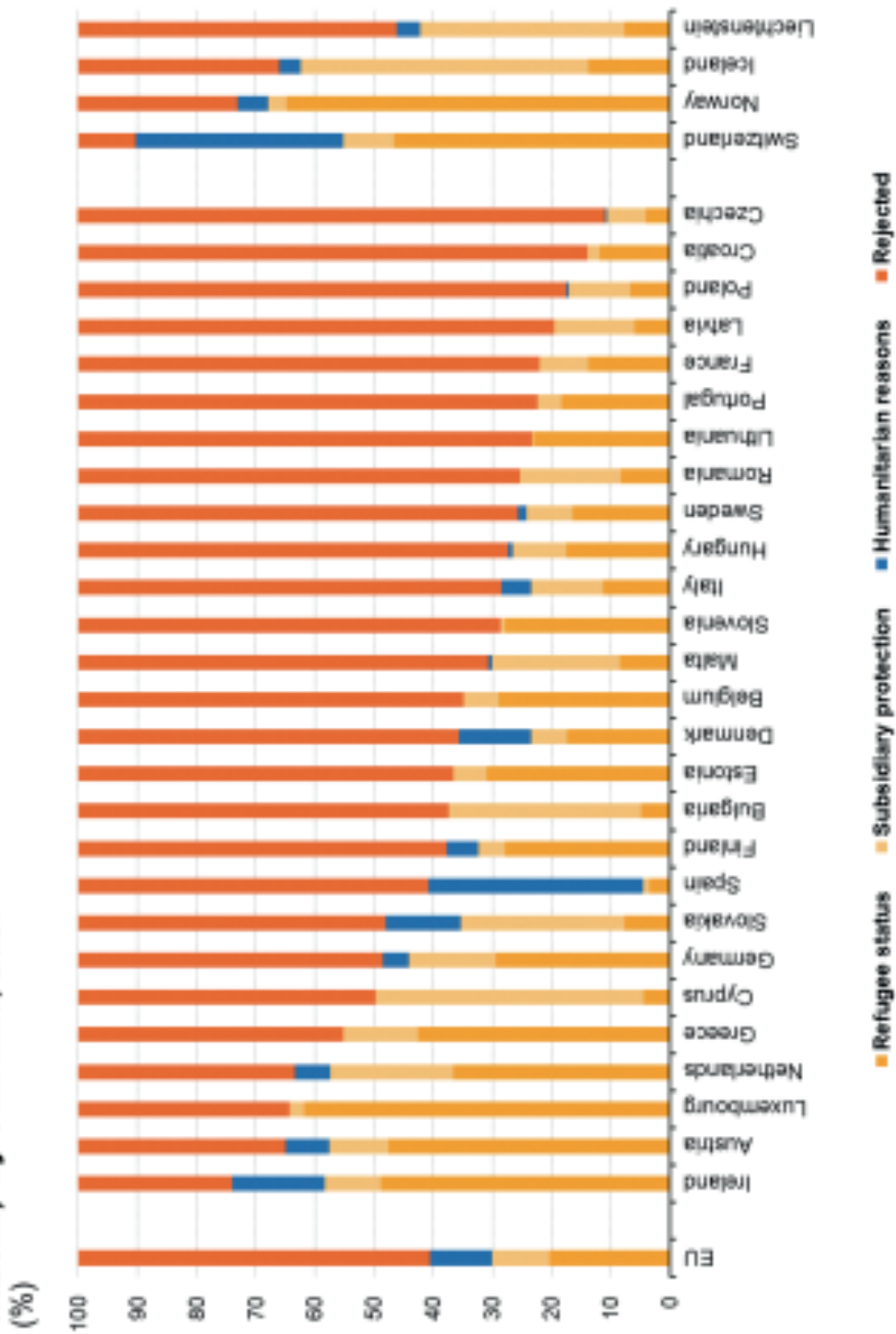
Distribution of first-time asylum applicants (non-EU citizens) by age groups, 2020



Note: calculation is based on exact figures (not rounded).

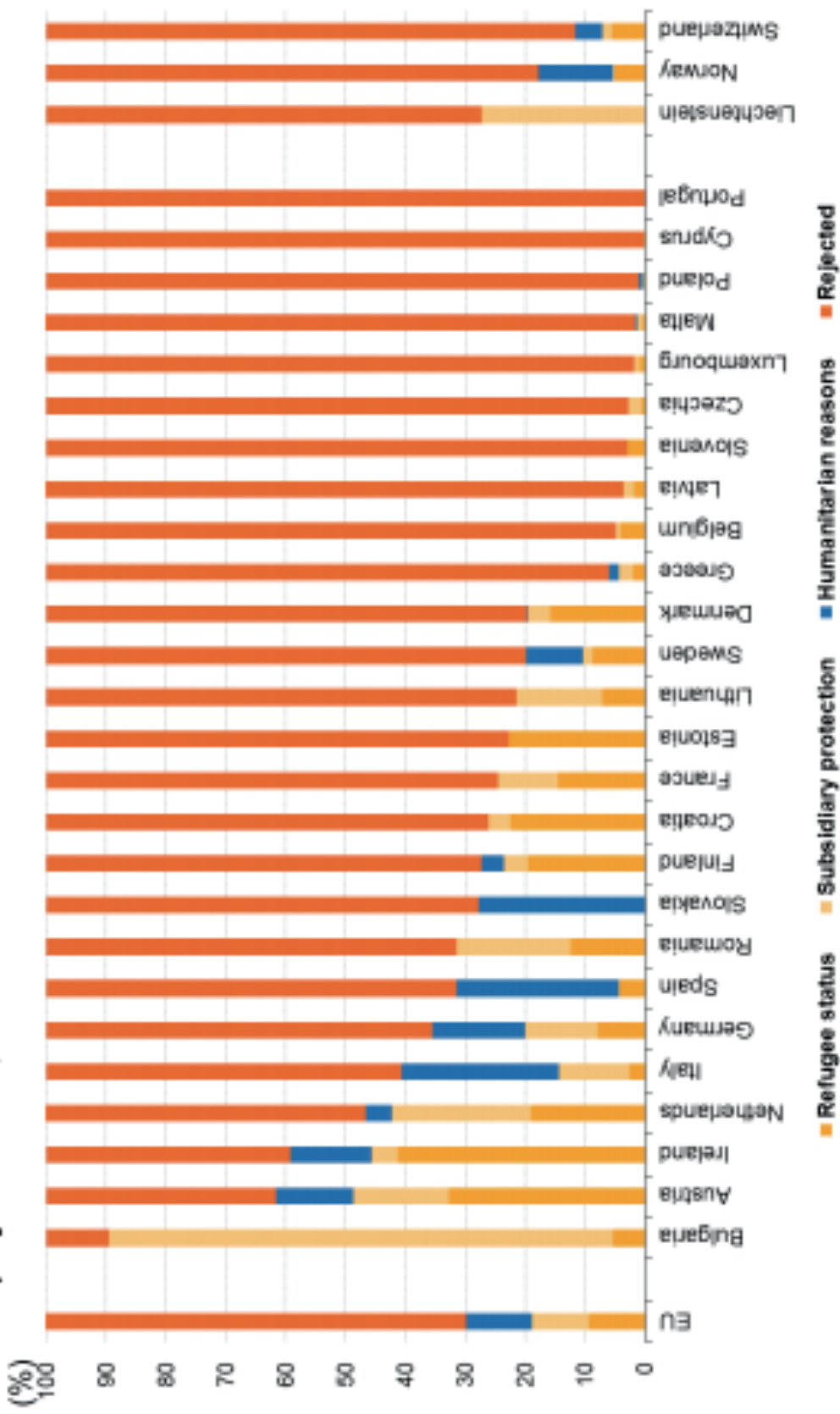
Source: Eurostat (online data code: migr_asyappctza)

Distribution of first instance decisions on asylum applications (from non-EU citizens) by outcome, 2020



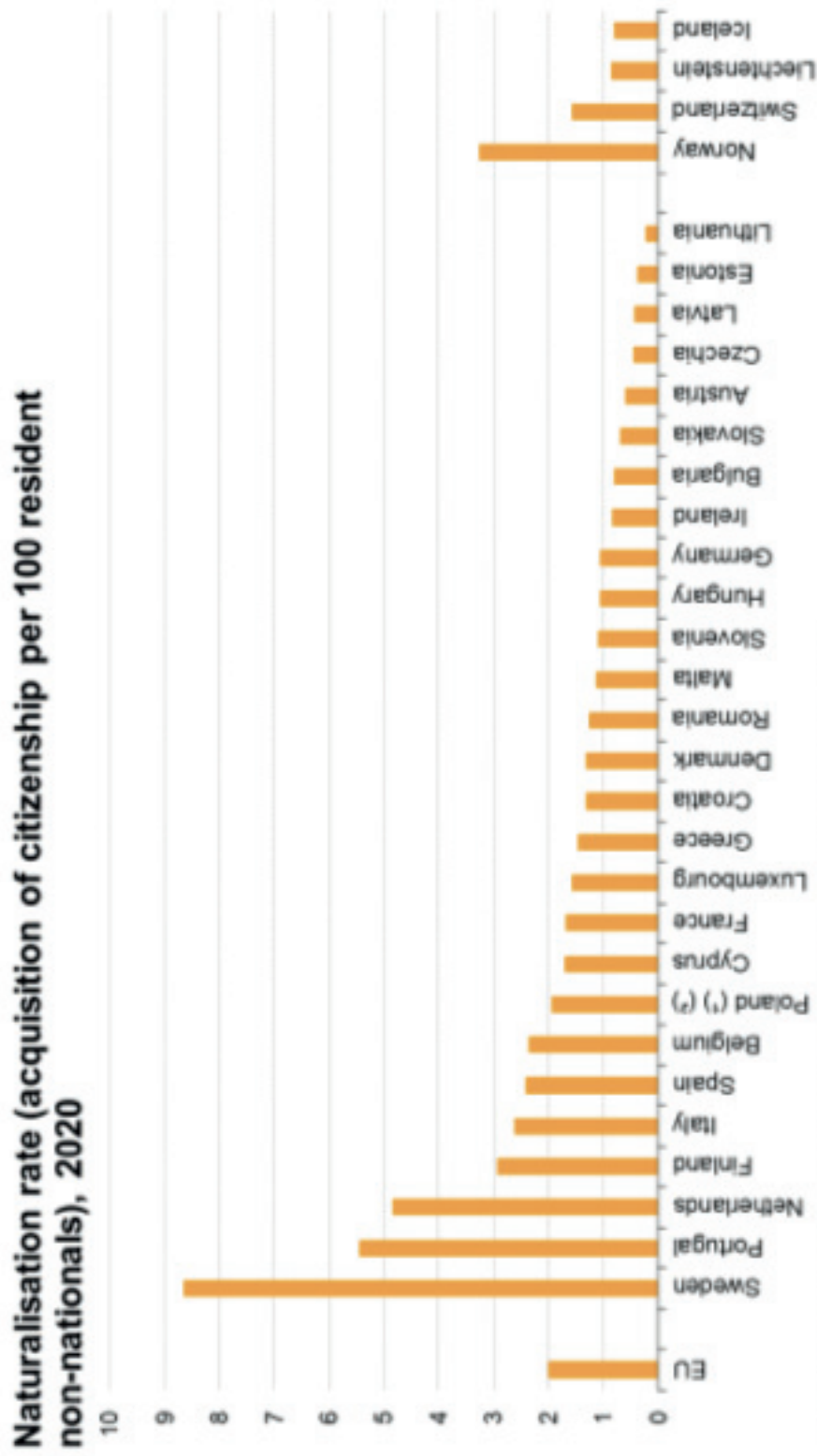
Note: calculation is based on exact figures (not rounded).
Source: Eurostat (online data code: migr_asydctsta)

Distribution of final decisions on asylum applications (from non-EU citizens) by outcome, 2020



Note: based on original (not rounded) figures. No final decisions in Hungary.

Source: Eurostat (online data code: migr_asydcfina)



Note: Data on the number of non-national residents refer to 1 January 2020.

(*) provisional

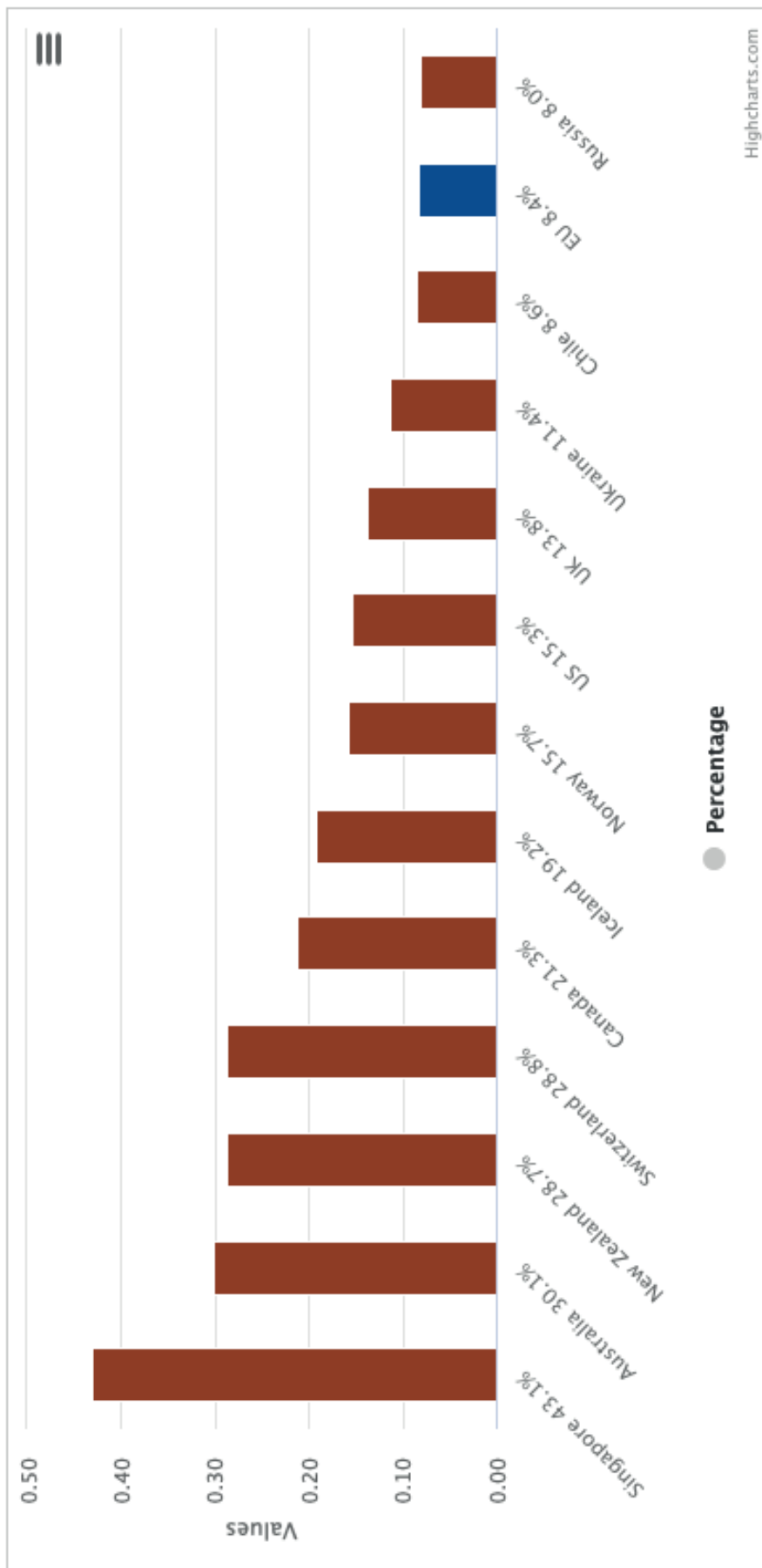
(?) estimated

Source: Eurostat (online data codes: migr acq, migr pop1ctz)



Figure 10: Naturalisation rate, 2020
(acquisition of citizenship per 100 resident non-nationals)

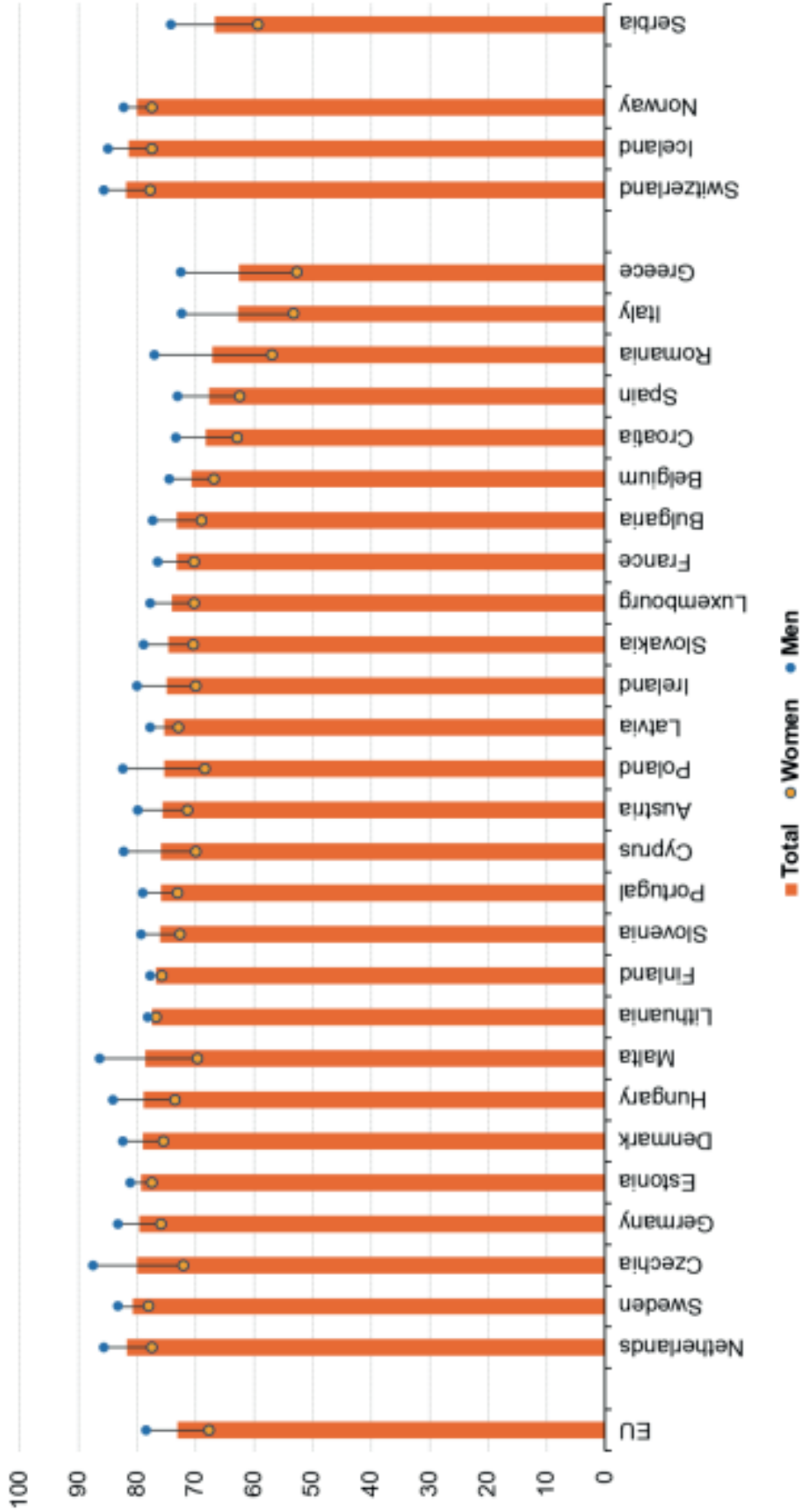
Foreign-born residents per country



Source: Eurostat, UNDESA, data from 2020

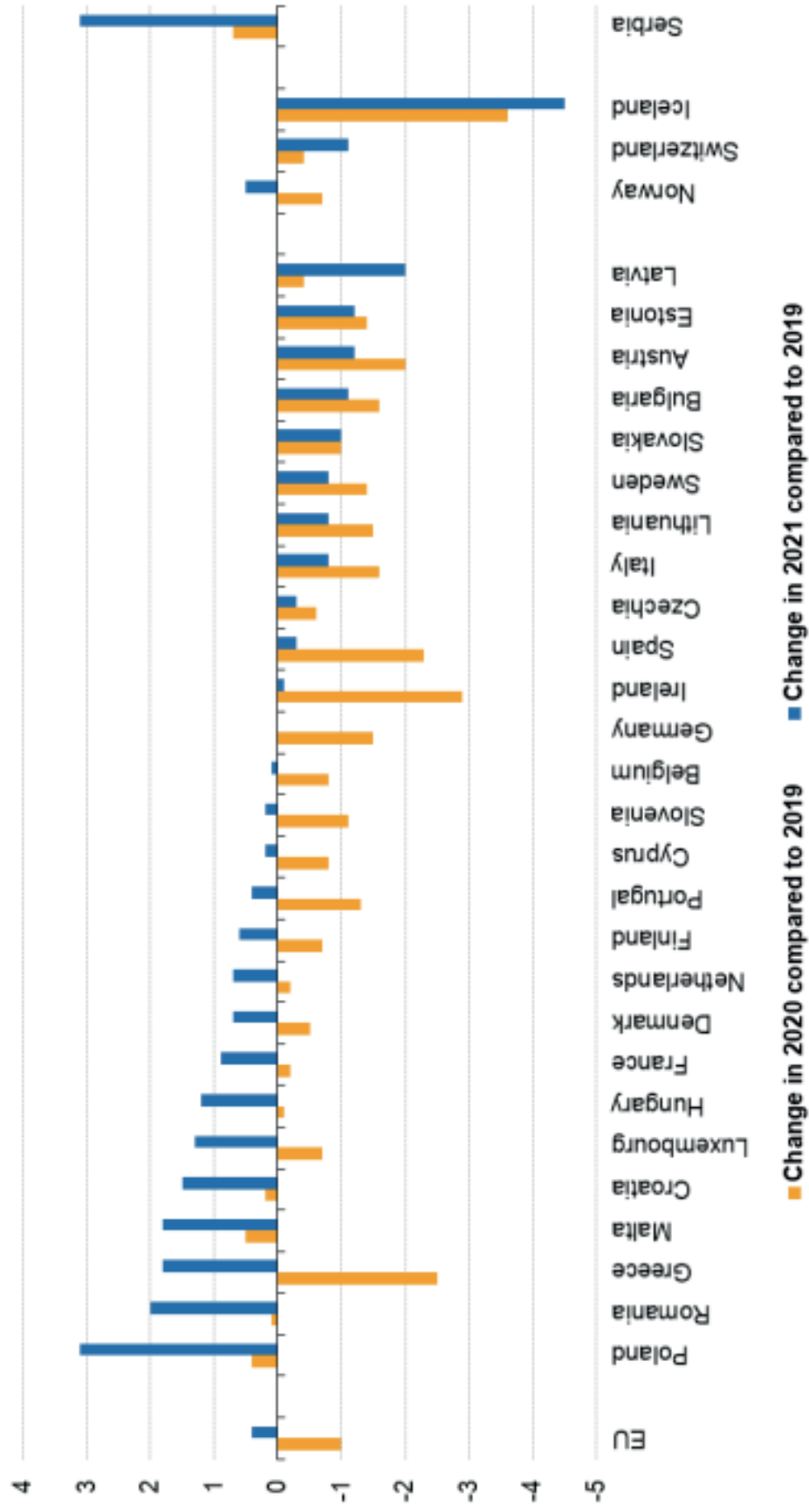
Note: non-EU born in case of the EU (i.e. those born in another Member State are not included); if intra-EU mobile persons were included, the share would be 12.4%

Employment rate by sex and country, 2021 (in % of the total population aged 20-64)



Employment rate trend by country in 2020 and in 2021 compared to 2019

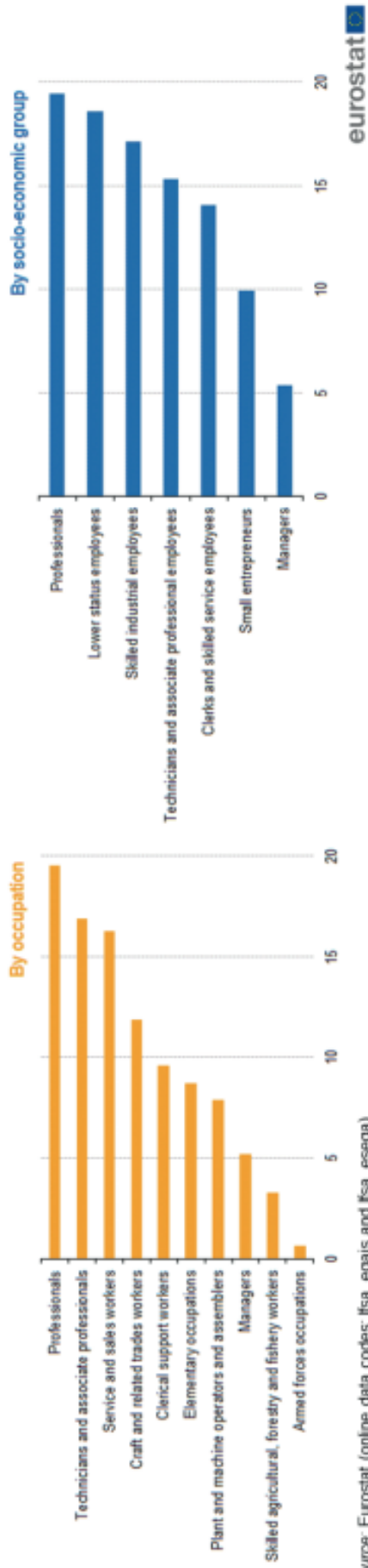
(in percentage points, people aged 20-64)



Note: 2020 German data should be treated with cautious as technical issues and the COVID-19 crisis had a large impact on data collection

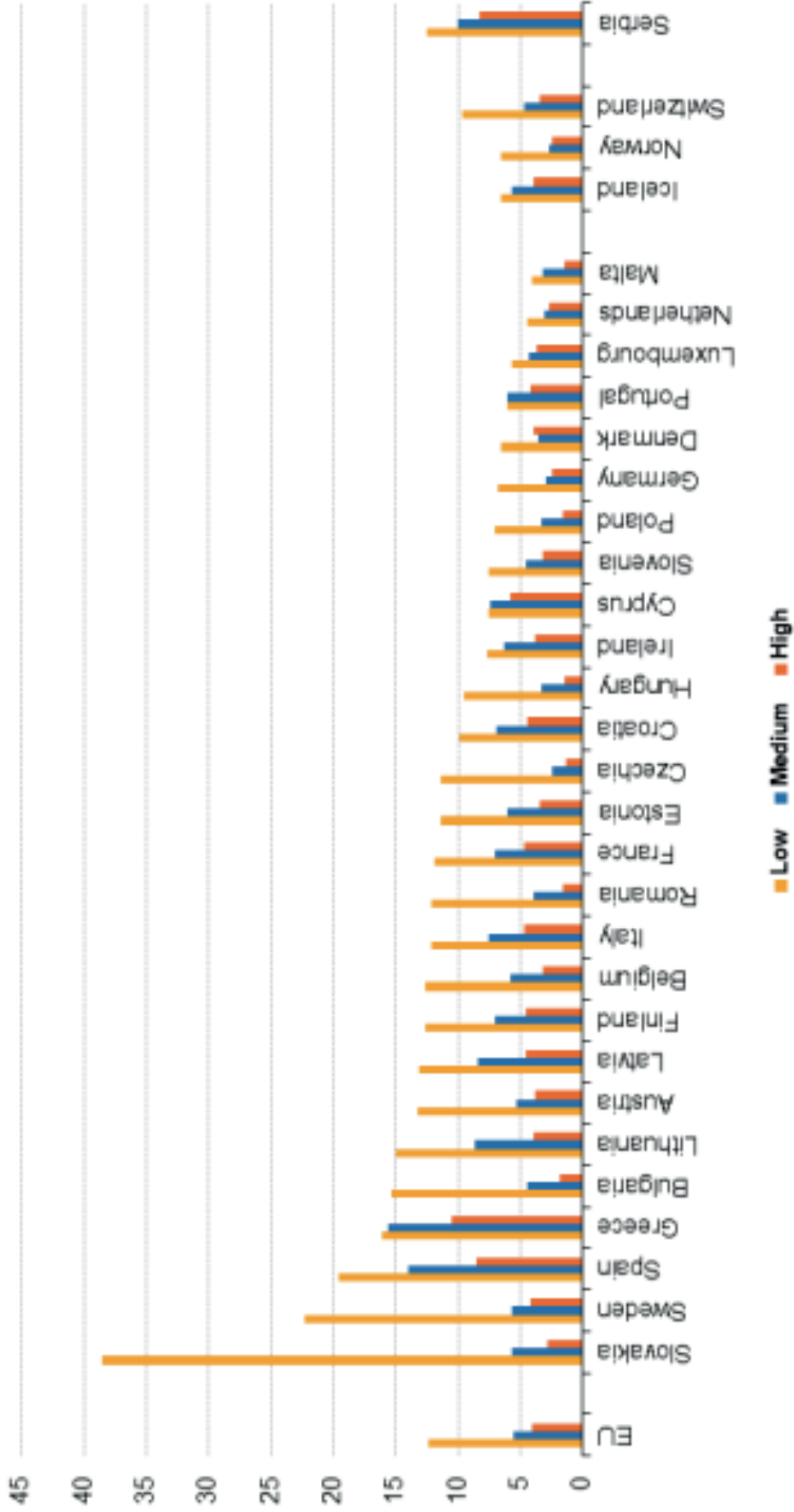
Source: Eurostat (online data code: ifsj_emp_a)

Persons in employment by occupation and socio-economic group, aged 20-64, EU-27, 2019
 (% of total employment)



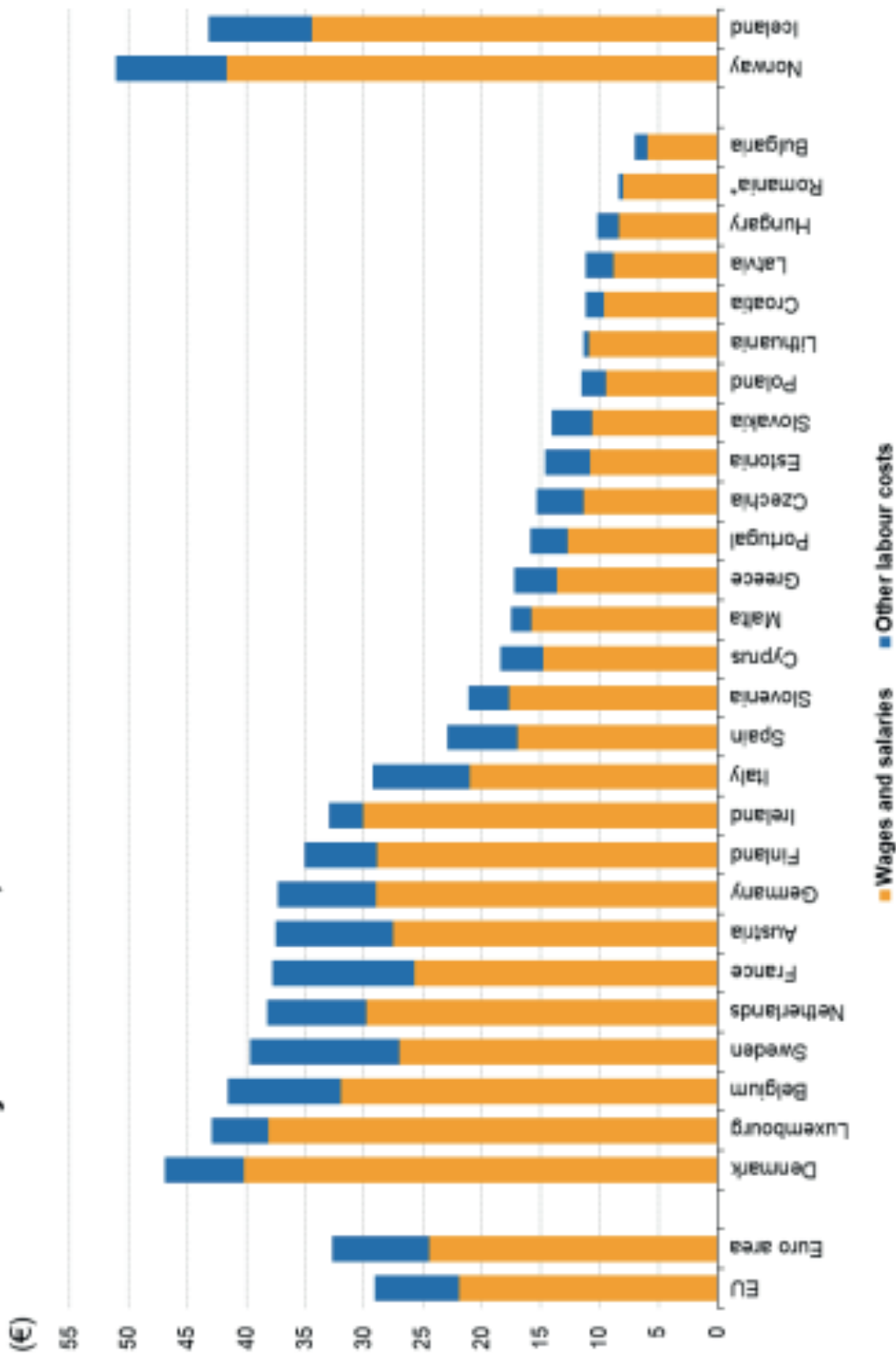
Source: Eurostat (online data codes: lfsa_egals and lfsa_esega)

Unemployment rate by educational attainment level, 2021 (as % of the population in the labour force aged 25-74)



Source: Eurostat (online data code: une_educ_a)

Estimated hourly labour costs, 2021



Notes: whole economy (excluding agriculture and public administration); in enterprises with 10 or more employees. Provisional data. Romania*: The estimates of the wage and salary /non-wage breakdown are not comparable with the periods prior to 2018 due to changes in national legislation.

Source: Eurostat (online data code: ic_lci_lev)

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Видавець і виготовлювач Національний університет біоресурсів
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