

# ЕКОНОМІКА ТА УПРАВЛІННЯ ПІДПРИЄМСТВАМИ (за видами економічної діяльності)

UDC 338.5

## THEORETICAL BASICS OF RISK MANAGEMENT ENTERPRISES ENGAGED IN FOREIGN TRADE

I. Chernysh, Doctor of Sciences (Economics), Associated Professor.  
O. Kulynych, master's degree student  
Poltava National Technical Yuri Kondratuyk University

© Chernysh I., 2016.

© Kulynych O., 2016.

*Стаття отримана редакцією 16.12.2016 р.*

**Formulation of the problem.** The economic and political situation in Ukraine last few years is characterized as uncertain and instable.

Particularly acute are the issues of further development of the enterprises and the possibility of their existence in general. This situation entails a number of risks associated with the activities of enterprises, especially in foreign markets.

In such conditions it is quite important to correct the assessment of the risks, their timely identification, as well as the speed of responding to the rapid globalization of the economy and specific businesses, the organization of risk management.

**Analysis of studies and publications.** Among the recent researches of economists involved in the study of enterprise risk, carrying out foreign trade activities, highlight the following: T. Andersen, T. Bedford, D. Galay, H. Gruening, I. V. Goncharov, E. E. Kuzmin, A. Kempf, K. Kyuhner, Dzh. Kalman, M. Krui, L. Miller, G. Monahan, A. R. Savchenko, I. I. Sahrawis, D. Slivka, O. V. Shlyaga and others. They explore the essence of the category of risk and risk management [1, 2, 3, 4], risk species that occur in the enterprise [2, 5, 6, 7] and approaches to management. Questions of formation of the risk management requires an in-depth investigation under the constant unpredictability of the process of economic activities and the rapid changes in the external economic environment of enterprises.

**Formulation of the Article purposes.** The aim of the article is: to study the nature of risks and the role of risk management of the enterprise, to summarize the theoretical and practical methods of risk management in foreign trade activity, to determine the basic provisions for improving the cost-institutional framework in the process of risk management.

**Statement of the base material.** The study essentially the notion of risk takes a lot of domestic and foreign scientists but at the moment there is no single view of the nature of the risk. This is due to diverse qualities of this phenomenon and the lack of it in our economic legislation, economic practices and organizational activities. Risk is a complex phenomenon and therefore entails a lot of conflicting opinions, views and different interpretations.

A. R. Savchenko [1] and L. Miller [2] define the risk as "the probability (threat) of losing by enterprises some of their resources, revenue or the appearance of additional costs resulting from the implementation of specific operational and financial performance". A. E. Kuzmin defines the risk as "the threat of unexpected losses due to changes in operating conditions and certain unfavorable circumstances" [4].

Famous scientists I. I. Sahrawis and O. V. Shlyaga [9] see risk as "the situational functioning characteristics, combined uncertainty of its outcome and the possibility of unfavorable effects of activities as a consequence of failure."

In terms of international trade the risk of export-import operations is the threat of economic loss due to the fault of another party or due to changes in political, economic or other situation in the partner country. It is known that the potential losses in foreign operations may be exposed to any of its members - the exporter, the importer or the servicing bank. Therefore it is very important to know all the types of risks that arise in the process of international exchange of goods, as well as measures to minimize these risks, or eliminate altogether.

In the process of concluding trade transactions exporters and importers take into account many factors and indicators, starting with the financial condition of a business partner, its market position and ending the political, economic and legislative conditions for his country. A close study of the counterparty is especially important in the present conditions, when the rapid development of the world market, the continuous improvement of products, encourage buyers to find new business partners, new suppliers, the most attractive in terms of price and quality of goods. When registering a new trade partnership firms (enterprises) and banks involved in the calculations, estimate primarily risks that may arise in the course of such cooperation.

Economic activity is always associated with some degree of foreign risk. Each control entity chooses for itself a certain way to reduce risk.

Table 1

**The following methods are used to reduce the possible risks of foreign trade**

<b>Methods of reducing the risk of foreign trade</b>	<b>Characteristic</b>
Insurance	the use of different types of insurance policies, insurance contracts
Hedging	use of exchange futures contracts and options.
The use of various forms and methods of settlement and credit relations	minimize the risk of non-payment for goods delivered or non-receipt of goods against payment of their
Analysis and forecasting of conditions	on the external market, planning and timely development activities in order to avoid possible damages caused by unfavorable conjuncture changes

Therefore, you should accept that uncertainty is an inevitable condition of economic and, thus, the risk of a fragment of the results of the implementation of economic decisions [10].

The company, through its work in the sphere of market relations, certainly faces many risks. Therefore there is an urgent need to provide effective work of risk control and management.

Risk management is a decision-making process of enterprise management, taking into account the risks that affect its activity.

Table 2

**Features of the organization of risk management in the enterprise**

<b>Features of the organization of risk management in the enterprise</b>
<b>1. Conduct qualitative risk assessment</b> - study the features of the enterprise; - analysis of the environment; - identification of risk factors; - implementation of risk mapping.
<b>2. Implementation of quantitative risk analysis</b> - preliminary risk assessment on the basis of quantitative analysis; - choice of effective methods of risk assessment; - prediction of possible losses caused by the action of the risks; - assessment of the likelihood of risks and their impact on the enterprise.
<b>3. Selection of the best risk management practices</b> - generalization of data obtained as a result of the risk analysis; - evaluation of alternative risk management techniques; - choice of optimal methods of risk management.
<b>4. Adoption of the risk management program</b>
<b>5. Control over the conduct of the risk management process</b>

All these procedures interact with each other and with other procedures. Each procedure is performed at least once in each project.

You must be in risk management for an integrated approach, in which tools and methods are shared across the enterprise, and in the management of the company is well thought-out strategy. Integrated approach is an active position, as it involves foresight and not a passive response to the risk. Such an approach offers more possibilities and limits of danger.

**Conclusions.** Thus, based on our research, it can be argued that the problem of risk management is a complex and multi-faceted system that has no single solution mechanism. However, a positive trend of increasing attention to this issue, especially in large companies, through the development of new methods and risk management systems. For the effective functioning of domestic enterprises one of its controls, it should be risk management, and it is advisable to create a separate "Risk Management Division." This concept is still relatively new for the Ukrainian business. However, the facts show a lack of attention to businesses about the dangers and risks of a negative impact.

In the conditions of globalization is becoming increasingly acute issue of exit of enterprises on foreign markets, in the course of which they are not using the methods of risk management are subject to their negative impact.

So, for the most efficient operation of enterprises engaged in foreign trade have to create the most organized risk management system, which will provide, in turn, the effectiveness of managerial decision-making, taking into account the risks that affect its activity. There are different ways to carry out this work in the enterprise - both independently and with the assistance of consulting firms.

#### **REFERENCES:**

1. Balabanov I.T. Risk management / IT. Balabanov. – Moscow: Finance and Statistics, 1996. - 192 p.
2. Vitlinsky V.V. Science of risks in economics and entrepreneurship: monograph / V.V. Vitlinsky, P.I. Velikoivanenko. - K.: KNEU, 2004. - 480 p.
3. Analysis of business risks: problems of definition, classification and Quantitative assessment: monograph / V. M. Granaturov, I. V. Litovchenko, S. K. Harichkov; for science. Ed. V. M. Granaturov. - Odessa: Institute of Market Problems and eco-ekon.. research of Ukraine, 2003.
4. Ustenko O.L. Theory of economic risk: monograph / O. L. Ustenko. - K.: AIDP, 1997. -164 p.
5. Fomichev A.N. Risk Management: Account. Collec. / A. N. Fomichev. - M.: Publishing business Corporation "Dashkov and Co", 2004. - 292 p.
6. Khokhlov N.V. Risk Management: Textbook. Collec. for schools / N. V. Khokhlov. – Moscow : UNITY-DANA, 1999. - 239 p.
7. 166AS / NZS Risk Management Standart4360: 1999 [E-resource]. - Access mode: <http://www.riskmanagement.com.ua>. Klymenko S.M., Dubrova A.S. Justification business decisions and risk assessment. - K. : KNEU, 2006. - 312 p.
8. Podolchak N.Y. Risk Classification and methods of reducing / N.Y. Podolchak // Management and Entrepreneurship in Ukraine: problems and stages of development. Visnyk National University "Lviv Polytechnic". - Lviv: Publishing NU "LP", 2002. - № 457. - P. 23 - 32.
9. Schneider, R., Hedges, L. (2009). Identifying and Managing Project Risk: Essential tools for failure-proofing your project. PMP. 368 p.

UDC 338.5

**Keywords:** risk, management, risk-management, enterprise.

УДК 338.5

**Черниш Ірина Володимирівна**, доктор економічних наук, доцент. **Кулинич Оксана**, магістрантка. Полтавський національний технічний університет імені Юрія Кондратюка. **Управління ризиками в системі менеджменту зовнішньоекономічної діяльності.** Розглянуто питання етимології поняття «ризик», особливості ризиків на зовнішніх ринках. Визначено основні показники, які повинні застосовуватися для моніторингу ризиків.

**Ключові слова:** ризик, менеджмент, ризик-менеджмент, підприємство.

УДК 338.5

**Черныш Ирина Владимировна**, доктор экономических наук, доцент. **Кулинич Оксана**, магистрантка. Полтавский национальный технический университет имени Юрия Кондратюка. **Управление рисками в системе менеджмента ВЭД.** Рассмотрены вопросы этимологии понятия «риск», особенности рисков на внешних рынках. Определены основные показатели, которые должны применяться для мониторинга рисков.

**Ключевые слова:** риск, менеджмент, риск-менеджмент, предприятие.