



## ENTERPRISE RISK MANAGEMENT: DEFINITIONS AND UNDERSTANDINGS

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Definition of risk management by theorists and practitioners of risk management is systematized based on the research work of scientists, government instructions, data, Internet sites of Insurance and Risk Management Society of US and Canada, Swiss Re International Insurance Group, The Committee of Sponsoring Organizations of the Treadway Commission – COSO, Directive 2009/138/EC Solvency II, documents of the Basel Committee on banking supervision Basel.

Results of the study indicate that both practitioners and theorists of risk management suppose consistent identification of risks, their evaluation, selection and use of methods of risk management according to priority threats as its mandatory elements or stages. A key feature of the integrated enterprise risk management is the responsibility of management at all levels of decision-making with the defining of risk appetite. Management system is viewed based on functional and system approaches within the subject-object interaction.

Scientific approaches mostly concentrated on managing potential threats. The purpose of the integrated risk management as well as theorists and practitioners consider bankruptcy prevention and increasing the value of enterprise. Risk management practitioners distinguish strategic and integrated risk management. This integrated risk management is a structured process of risk management portfolio with the embodiment necessary components such as: organizational support, information-analytical systems, stress testing and methodological support. The key characteristic of strategic risk management is that it is the responsibility of the directors of the capacity to implement the plans and strategy of the enterprise.

**Keywords:** risk, risk management, stages, components, elements, process, purpose of integrated risk management.

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## ANALYSIS OF INNOVATIVE ACTIVITY AND DEVELOPMENT OF INNOVATIVE WORK

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A comprehensive analysis of the current state of innovative work and development of innovative work is conducted. The basic trends and characteristics of innovative activity and innovative work are revealed. Current approaches to the interpretation of the concepts of «innovative activity» and «innovative work» are overviewed. Proportion of the number of enterprises that created and used advanced technology in the total number of enterprises is compared. Amount of innovative active enterprises in the industry in areas of innovation is analyzed. Methodological approach to the analysis of the innovative activity and development of innovative work is improved. Object and subject of analysis, methods and stages are defined as well as tools that will holistically and comprehensively to analyze and improve it. It is comprehensively and reasonably evaluated dynamics of innovation and development of innovative work that will enable to increase its effectiveness. Conceptual provisions of proposed methodological approach to the analysis of the innovative activity and development of innovative work are formulated.

**Keywords:** innovative activity, development of innovative work, stages of analysis, methodological approach.

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#### ALGORITHM DESIGN FOR FORMATION OF A NEW BRAND IN UKRAINIAN MARKET OF MEAT PROCESSING INDUSTRY

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Aggravation of competition in the domestic market of meat industry and the prospects opened due to the accession of Ukraine to the world economic space encourage manufacturers of meat products to the creation and use of original means of individualization of the entity and the products. One of the most effective means of product differentiation is branding. Despite the diversity of areas of research theory and practice of branding, covering issues from the perspective of product differentiation to ensure the competitiveness of enterprises in strategic perspective, now the formation and implementation of technological and functional component of brand management are insufficiently studied. The object of the study is the implementation of branding as a marketing tool of meat processing industry. The aim of the study – based on the generalization of theoretical concepts and practical experience to develop the conceptual basis of the formation of a new brand and offered competitive adapted to local market conditions algorithm to form a new brand in the market of meat processing industry. Research showed that the subjects of economic activity of meat processing industry in Ukraine faced with conditions of high market saturation and increasing competition constantly. There are trends towards consolidation of production and folding of small producers. Given the need for enterprises of meat industry to use modified, adapted to local market conditions branding algorithm, we proposed algorithm design for formation of a new brand. The algorithm enables create competitive advantages at all levels at the stage of developing new brand on the basis of strengths of the company and customer values and ensure the long-term gains in market leadership, intra-company focusing and increased profitability.

**Keywords:** branding of meat processing products, algorithm for formation of a new brand, competitiveness.

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#### NEW TECHNOLOGIES OF DIAGNOSTICS OF MOTIVATIONAL SOURCES OF YOUTH BEHAVIOR

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Non-constructiveness of the economic and political transformations of Ukrainian society negatively affected the collectivist values that would ensure its consolidation. This situation caused the topicality of seeking new technologies to develop values capable of humanization and solidarity of society. Particular concern in this context has the motivation in behavior of youth, together with ability and readiness to interact with other people. The article is aimed at verifying, with use of recommendations of the spiral dynamics theory by C. Graves, whether diagnosing the sources of youth behavior is possible, and on this basis determining the reserves of its self-identification.

The theory of C. Graves focuses on the multi-layered development spiral of human consciousness, in the unity of two components. The first component includes personal motivational values, the second – conditions of human existence in society. Conformity between the identified components ensures the harmonic function of both a human and his social environment.

Practice has shown that in today's world the development of social community is accompanied by complicity of the consciousness of everyone involved into it, along with combining different levels of consciousness in the community. Understanding of systematized human values that are reflected in mind provides a basis for qualitative arranging activities of those people and organizations with whom a person comes in contact.

In this study, the following hypothesis has been formulated: formation of a human system of world perception is being influenced by some latent factors, which have gender differences. Verifying the hypothesis by means of estimating the students' levels of consciousness showed that for boys the most characteristic life values are being a member of a collective without losing own individuality, as well as rivalry for own advantages sake in a collective, with observance of the established rules. The girls see the main advantage in the values of holistic thinking, consider expedient for their lives to rely mostly on themselves, and will try for an independent decision of life's problems. A significant role in forming the girls' consciousness also plays the values of compliance with certain rules, although these rules may complicate individual implementation of humanistic ideas and system thinking.

**Keywords:** behavior, consciousness, motivational values, spiral dynamics, gender differences.

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### RESEARCH OF THE METHODOLOGICAL BASES OF LOGISTICS MOVEMENT EVALUATION FOR ADDITIONAL PRODUCT IN THE CONDITIONS OF INNOVATIVE ACTIVITY

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The problems of synthesis of creative compound of the work with the movement of additional product in the process of joint innovative activity are considered in the article. It is substantiated that additional product must be considered within the activities of humans, as it is a product of this activity, while it is formed not only under the influence of personal physical and psychological capabilities of human, organizational and technical conditions, but also economic relations in human activities.

It is suggested that in determining the goals of logistics, additional product seen as a potential means in terms of value added, i. e. their movement in the period of the working day should ensure the planned profit from innovation.

The unit of measure of the additional product in the working day is proposed in a conditional monetary terms, indicating it as a «personal capital» and taken as the carrier of information on economic goals of innovative activity logistics of the staff. Compatibility of proposed unit with real money is proved. The practical value of this unit is that it becomes a carrier of information about traffic in an additional in a working day and makes it possible to determine the mechanisms of integration of logistics movement of additional product in joint activity.

**Keywords:** additional product, working day economic times, measure, logistics, innovation, capital.

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### THE ROLE OF REPORTING IN THE MANAGEMENT OF INDUSTRIAL ENTERPRISES ON LEAN PRINCIPLES

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The article discusses the importance of reporting as a source of relevant and accurate information in the management of industrial enterprise in the context of lean changes on an ongoing basis. The main aim of research is to systematize and develop theoretical and methodological principles of formation and use of industrial enterprise reporting in order to inform about the results of change management principles and practices in the context of lean production.

Retargeting of lean thinking in the management of industrial enterprise from efficiency and productivity across the value for the customer to quality and sustainable development is established based on the analysis and synthesis of scientific development. Reporting of the enterprise is grounded in historical aspect with accounting experience of its formation according to the change of lean emphasis. Condition for this is rational information support of stakeholders in management of industrial enterprise focused on financial reporting (for material losses), financial and management reporting (for fair presentation of data related to the work of staff and customer satisfaction), integrated reporting (for presenting the results of lean reforms through a combination of financial and non-financial data in logically coherent system).

To determine a reporting set it should be considered: matching information needs and expectations of the general public; providing appropriate and truthful presentation of related data; logic combining of traditional quantitative-financial and non-financial indicators.

Given the uniqueness of the industrial enterprises, the expediency of forming an integrated report using operating performance ratio on lean principles is proved.

**Keywords:** financial reporting, management reporting, integrated reporting, lean thinking, management of enterprise.

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approval of the business plan of joining the network, agreement of commercial concession and implementation of the business plan.

The authors propose to use implementation sequence of interrelated stages as part of the planned growth rates as the franchisee and the franchisor for effective integration into the franchise network of the local company.

The research results can be applied to different scale business entities, as a leading market and budding entrepreneurs, both national and foreign companies that conduct their business in the areas of production, trade, catering and tourism business as well as personal services.

**Keywords:** company, franchise, franchise fees, franchise network, integration.

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**RESEARCH OF INTELLECTUAL CAPITAL SOURCING AT THE MECHANICAL ENGINEERING ENTERPRISES**

page 36–42

The features of the businesses in mechanical engineering labor market, an impact on the choice of modern management enterprise intellectual capital management strategies are analyzed. It is emphasized that activities trends to attract additional highly qualified engineers are explained by the current state of industrial development and shifting priorities in management strategies based on intellectual resources.

Intellectual capital management strategies experience is generalized. The growth, stability and protection strategies are marked out according to the model proposed by Sh. Kohut. Integration policies deemed necessary for engineering companies to develop capital and state policy support. Examples of successful practices of these strategies implementation by engineering companies are proposed. Their decisions were impacted by the present market conditions, demand, supply, market structure, phase of the business cycle.

The expediency of apprenticeship practices at the mechanical engineering enterprises is proved. Present day needs of management

**ORGANIZATIONAL ASPECTS OF THE INTEGRATION OF LOCAL COMPANY IN THE FRANCHISING NETWORK**

page 31–36

Organizational and economic aspects of franchising as a form of creation and development of business are discussed in the article. The main aim of research is to develop the organizational procedures of the local enterprise entry – the franchisee – in the franchising network.

Organizational and economic aspects of franchising as a form of initiation and development of business on the basis of the legislative framework of franchising in Ukraine, analysis of practical information about franchising, financial and economic analysis of franchising subjects are discussed in the article.

Presented process of organizing the integration of local companies in the franchising network allows effectively organize the process and provides for consistent implementation of interrelated stages, which include: definition of the target species of the enterprise, choice of the franchisor, preliminary financial analysis of franchisee,

operating systems in new curriculum of engineers training adjusted for management courses both at local and global levels are illustrated.

Externalization of tacit knowledge of enterprise by outsourcing of intellectual capital is identified. The example of externalization is engineering services outsourcing enhancing the competitive position of engineering enterprises in the global economy by minimizing the costs of localization, resources saving, increasing productivity, creating products with high added value. Limitations of outsourcing strategy use caused by key competencies losses of project designers, warranty managements tasks are emphasized.

**Keywords:** intellectual capital, intellectual capital management, intellectual capital sourcing, insourcing, outsourcing.

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#### IMPROVEMENT OF THE METHOD FOR CALCULATION OF BONUS PAYMENTS OF EMPLOYEES AT MINING STATIONS OF COAL MINES

page 42–46

The formula for determining bonus payment to the basic rate of the miner depending on the percentage of the plan and ash content of coal was defined in the article.

The workers and middle managers of Western Donbas mines were interviewed for this purpose that determined separately level of bonus payment, depending on the percentage of the plan and the level of its adjustments based on the achievement of the required level of coal ash.

Moreover, shortfalls of plan to 80 % isn't determined zero bonus payment. At the same time, the deviation of ash content more than 47 % is determined the bonus payment equal to zero.

Research was conducted in connection with reduction of the competitive cost of Ukrainian coal compared with imported coal and the need to reduce its costs and increase quality.

As a result, it was found that the experts have identified the required level of interest allowances with sufficient consistency of opinions (Kendall coefficient 0,743 and 0,84). Piecewise linear approximation was used to create a single formula for calculation of bonus payments that ensured its absolute accuracy.

The result allows stimulating the miners' work towards reducing the cost of coal and reducing its ash content, and because the method is based on the opinions of coal experts, it must really influence the process of coal production in Ukraine. Implementation of methodology for SE «Selydiv coal» for mining station № 2 has increased the coal production by 1,6 times, reduced the ash content of coal in 3,4 times and increase the wages of workers by 12,2 %.

**Keywords:** bonus payment of employees, wages, mining station, indicators of coal production, ash content.

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### DEVELOPMENT OF PARAMETERS FOR ECONOMIC EVALUATION OF USING ENRICHMENT WASTES OF THE MINING ENTERPRISES

page 47–54

The problem of economic evaluation of use of enrichment wastes is investigated in the article. It is established a direct relation between the integrated use of mineral resources and increasing the efficiency of the mining enterprises.

Improved economic evaluation of complex use of enrichment wastes of the mining enterprises is presented. The problem of complex use of enrichment wastes will always be important at every stage of economy (crisis or recession), as it provides significant savings of minerals and increase the economic efficiency of the mining enterprises.

The model of using two types of concentrate production technology is presented: the main technology and through the optimal use of ore and enrichment wastes while minimizing costs.

Organizational and economic mechanism for management of technology of integrated usage of enrichment wastes of the mining enterprises was developed. Selection of the most effective technology that will take effective decisions was chosen on the basis of this mechanism.

The economic effect of introduction of the integrated use of mineral resources is 51,78 million UAH.

**Keywords:** economic evaluation, enrichment wastes, economic impact, integrated use, tailings, efficiency.

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