

$N$  – a number of rival;

$B_{oi}$  – the preference of the valued product over its analogue.

In denominator of the formula (2) to one it is added an amount of the ratio of analogue preference over valued product to its preference over analogue.

All specified values are defined for given market in the same period. In formula (2) it is defined an expected share of the sale of valued goods and its analogue. The conclusions about the competitiveness of valued goods are done after the results of payment had been matched.

## SOME ASPECTS OF ENVIRONMENTAL RISK

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Where environmental regulation, company law and corporate governance disclosures led, financial exposures follow. These exposures have led, in the US, to the development of a specialized environmental insurance market. Businesses are becoming aware of the need to protect themselves from the impact of possible environmental liabilities and to both understand and quantify their potential off-balance sheet liabilities.

The growth of environmental insurance market outside the US is taking a different form to the 'home grown' variety, where prescriptive legislation encouraged the development of standardised products.

In the US the focus has primarily been set on the potential exposures from on-going business activities (potential environmental risks), such as the cost of clean-up for accidental spillage. In Europe, the focus has been firmly on historical liabilities, largely because of the impact of the industrial revolution: much more industrial activity takes place on brown-field sites that may be heavily contaminated.

So how should companies protect themselves against possible environmental liabilities? The physical control elements to minimise exposures are good practice and an established and regularly audited environmental management system (EMS). While the financial control elements have in the past been restricted to warranties, indemnities and insurance, the best protection from the ongoing business environmental risk is a good EMS.

However, financial solutions for environmental risks are not limited to insurance. Self insurance including, where appropriate, the use of captive insurance companies, as well as Alternative Risk Transfer, options and other derivatives, and pure finance solutions, all have role to play. This, together with the customised nature of the insurance covers that can be put into place, necessitate a consultative approach and an active involvement by client's staff in various departments as well as an active engagement in dialogue at board level.

## **GROWTH STRATEGY – A DECISIVE STEP IN FURTHER ACTIVITY OF THE COMPANY**

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Getting growth strategy right is a hit-and-miss process for many companies. Getting growth strategy right has always been a tricky, risk-inherent business. And today's companies face a perfect storm of three convergent economic forces: impatient shareholders, unrealistic demands for growth and a slowing economy. Some mistakes, like those above, are enormous and visible. Some are barely noticeable. The question is not whether failure can be avoided – it can't in any arena that entails risk. Rather, the question for the management of any company that wants not just to survive, but also to thrive, is: "How can we optimize the odds of profitable growth?"

To define a company's core, its management must have a deep understanding of the true strengths and unique assets that form its basis of competition. In other words, management must know its business's depth and breadth, before it can successfully expand corporate boundaries. At a minimum, companies must look at which product lines and customer segments are most profitable, which customers are most loyal and why, and which assets constitute their greatest source of market power and influence. In addition, companies must think inside their industry and examine where they can control their extended industry's profit pool.

The highest probability of success for any company expanding into an adjacency relies on many factors. These include the strength of