

MANAGEMENT FEATURES OF ECONOMIC SECURITY OF FOREIGN ECONOMIC ACTIVITY OF UKRAINIAN MACHINE-BUILDING ENTERPRISES

General statement of the issue. At this stage of development of Ukrainian economy, issue of expanding business ties between members of economic activity, especially machine building, is becoming increasingly important, as the capacity of the national market is low and the enterprises are forced to enter international markets, accompanied by lots of danger and risk. In consequence to increased competition in the market of engineering products and the need to implement a complex approach in order to protect the interests of undertakings, the question of forming system of management of economic security of foreign economic activity (FEA) engineering enterprises in Ukraine.

Analysis of the recent researches and publications. A large number of scientific works of Ukrainian and foreign scientists, including: I. Ansof (1989) I. Z. Dolzhanskii (2007), S.M. Illiashenko (2008), M.H. Meskon (1992), O.Y. Popova (2012) L.I. Fedulova (2007) A.F. Balatskii (2010) V.E. Lapin (2002) and other are dedicated to the issue of management of the enterprise. Nevertheless the problem of management of economic security of FEA of the machine-building enterprises is still not considered.

The purpose of the article is to identify features of management of economic security of FEA of the machine-building enterprises. In order to achieve it, the following **tasks** were set: forming a step-by-step process of management of economic security of FEA of the machine-building enterprise, the development of organizational and economic mechanism of management of economic security of foreign economic activity of the machine-building enterprise.

The main material. Managing of economic security for foreign economic activity (FEA) of the machine-building enterprise includes the structure of the organizational and economic mechanism of management, functions, management decisions, which all together lead to the fulfillment of the main task - an efficient and uninterrupted operation of the enterprise.

Under the mechanism, that ensures economic security of FEA of the machine-building enterprise is proposed to consider a component of enterprise management system. It is based on the purpose, selected by authorities in order to support and enhance the level of economic security of FEA by using the existing capacity of the enterprise. The component of enterprise management system ensures the implementation of the purpose and results in a stable and efficient operation of the enterprise.

The scheme of formation of organizational and economic mechanism of economic security of FEA of the machine-building enterprise is shown in Figure 1.

Starting its activity, the enterprise's guidance determines the basic principles of management, which are priority rules for its activity. These principles make it possible to identify the main objectives of the activity and the tasks of their achievements, requesting the enterprise to perform one of its administrative functions, such as planning. The primary task of the planning function is to determine the current situation of the enterprise, to establish potential and desired results and to identify ways to achieve them.

Based on the notion of economic security of FEA of machine-building enterprise as aspect of the most effective usage of its resources for sustainable operation and development of the international market and the ability to withstand the influence of hazardous factors in the external and internal environment to ensure effective relationship between the undertakings on the territory of Ukraine , and beyond it, management of economic security of FEA must be based on the most efficient usage of resources of the enterprise. That is why, setting your objectives and tasks, the enterprise's guidance analyzes available resources and distributes them so as to achieve their objectives.

On basis of the analysis of resources, enterprise's guidance distributes them in such a way as to unlock its potential at best. As a result of these actions, another management function, namely – organizational one, are implemented. This is why, its effectiveness depends on the proper organization of economic activity. Due to the availability of enterprise's resources, guidance selects the most appropriate management methods that are implemented by using management resources

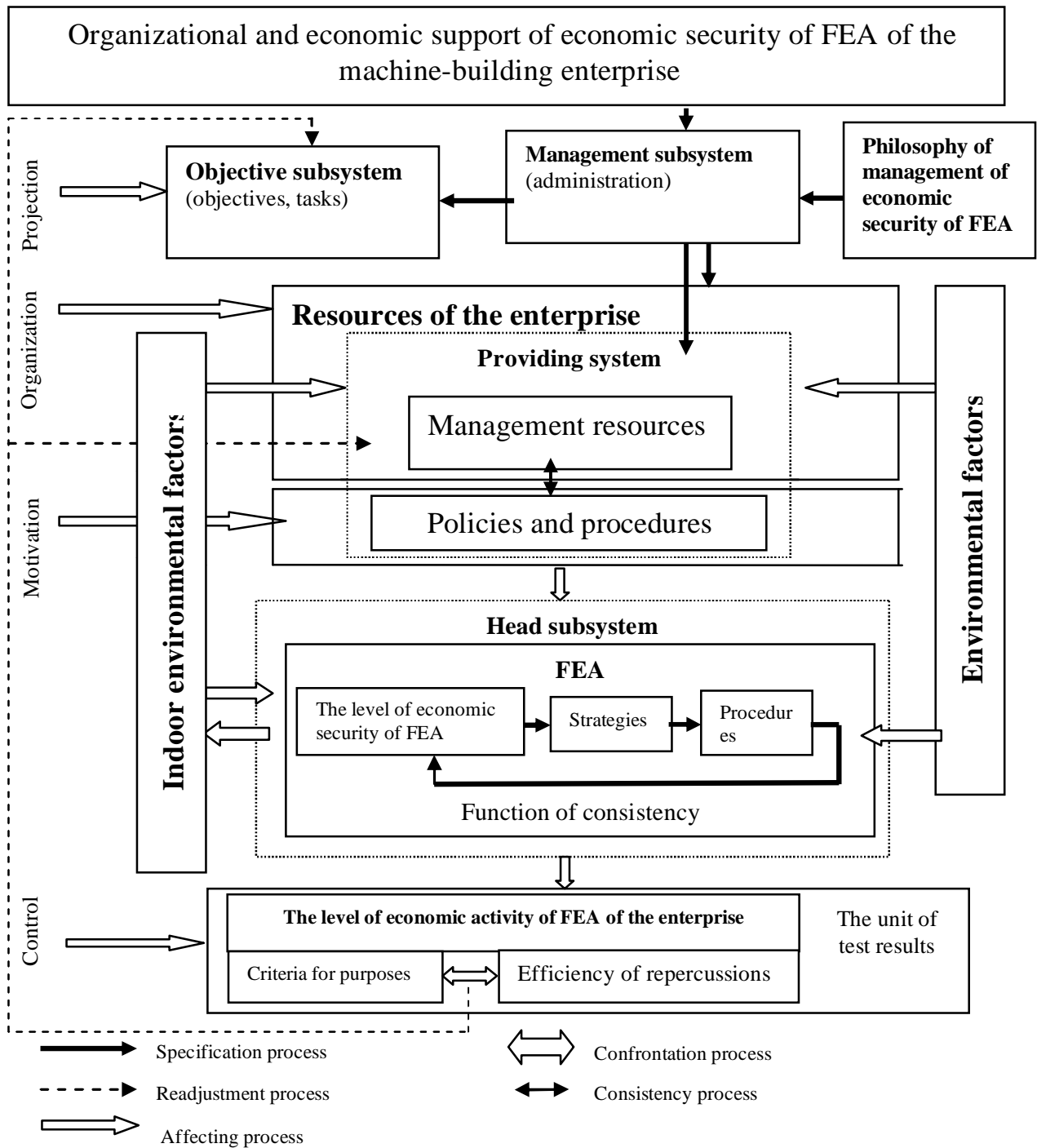


Fig. 1 – The structure of the organizational and economic mechanism of economic security of FEA of the machine-building enterprise (own design)

As it's known, a certain effect is the result of economic activity, and the best situation is when the result of the enterprise's activity coincides with its previously intended objectives. In practice, however, this situation is not always possible, because the machine-building enterprise must constantly control its activity, carry

out a qualitative analysis and quantitative assessment of the level of economic security of FEA of the machine-building enterprise. Its goal is to identify enterprise's problem areas and on the basis of the data to take measures to eliminate or prevent them. Efficiency of the results of qualitative analysis and quantitative assessment compare with standard values and conclude the current state of economic security of FEA of the machine-building enterprise on the basis of the data and the process of analysis of the achievement of the objectives and mission of the enterprise takes place. Thus, guidance of the machine-building enterprise is constantly making adjustments to their operation, because the machine-building enterprise which is engaged in FEA is influenced by factors, both internal and external environment, it is not always possible to predict and prevent them. Therefore, the enterprise's business activity constantly changes. It influences the entire outcome of the enterprise. That is why, control is an important management function of economic security of FEA of the machine-building enterprise, which allows in time to prevent the influence of negative consequences of internal and external environment on the machine-building enterprise's activity.

The work of the organizational and economic mechanism of management of economic security of FEA of the machine-building enterprise should be considered as an activity aimed at achieving management objectives and the level of economic security of FEA is determined by the criteria of such mechanism. However, determining the degree of achievement of management objectives is rather difficult task that requires a careful approach to the selection of parameters that influence the overall level of economic security of FEA of the enterprise. These indicators are supposed to comprehensively determine the level of economic security of FEA of the enterprise, describe an activity, its short-and long-term results both inside and beyond the enterprise.

The sequence of the process of ensuring economic security of FEA of the machine-building enterprise is shown in Figure2.

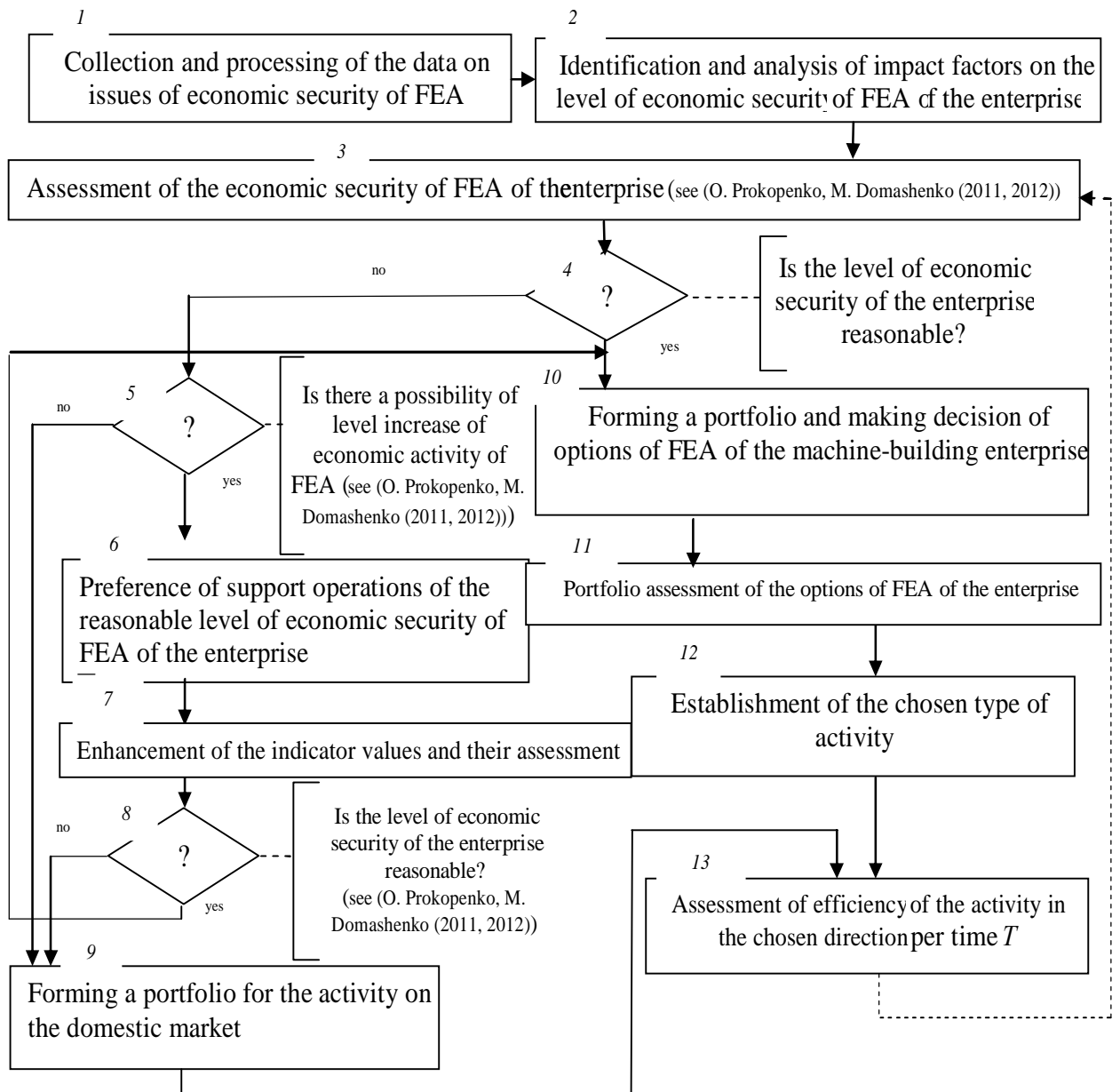


Fig. 2 – Escalated flowchart of the management process of economic security of FEA of the machine-building enterprise (own design)

Stages in the management process of economic security of FEA, represented in the diagram, are divided into two main components – analysis of the economic security of FEA on the enterprise and measures for its enhancement and support.

Analysis of economic security of FEA involves the collection and processing of data on the major aspects of economic security, the quantitative and qualitative analysis.

Measures, aimed at enhancement and maintenance of economic security of FEA provide choice and justification of the maximum allowable level of economic security of FEA, selection of tools for improving and maintaining the level of economic security, forming management decisions.

Stage 1. The first stage in the management process of economic security of FEA of the machine-building enterprise is the collection and processing of the data of all aspects of economic security of FEA as it involves acquisition, processing, transmission and practical use of various kinds of information.

Obtained at this stage, the information should be accurate, complete and well-timed. The list of such information may include data on financial stability and solvency of partners, customers, competitors, data on the political and economic situation of the country, which it is planned to work with, in the direction of FEA; probability of various risks, market conditions, where operates or plans to operate the enterprise, marketing conditions and so on.

Data from the previous experience, various analytical reviews, expert opinion, and data of specialized companies (such as Berry Company or other rating agencies) may be the sources of such information.

Stage 2. Information in the process of qualitative analysis of impact factors on the level of economic security of FEA of the machine-building enterprise is especially important. Qualitative analysis involves identifying the sources of the violation of economic security of FEA of the enterprises. In the process of qualitative analysis, it is important not only to establish the source of the violation of economic security, but also to identify possible loss of resources upon the occurrence of hazardous events. During the qualitative analysis large group of factors that have a negative impact on the economic security of FEA of the machine-building enterprise can be isolated. These may be as organizational and economic factors, as political ones and factors of force majeure, which are not always possible to predict and prevent. The results of the qualitative analysis are needed for quantitative assessment.

Stage 3. Quantitative assessment of the level of economic security of FEA of the enterprise provides numerous definitions of current and future condition of

economic security of FEA of the machine-building enterprise. At this stage the quantitative assessment of the economic security of FEA of the enterprise is estimated; its adequate level is estimated and set depending on the situation. Methods of assessing the level of economic security of FEA of the machine-building enterprise is considered by the author in the works (O. Prokopenko, M. Domashenko (2011, 2012)).

Stage 4. Development of foreign economic activity for machine-building enterprises in Ukraine is vital, however, is pursued of a large number of hazards and risks that may impair their overall level of economic security, that is already is very low in Ukraine. That is why the guidance of the enterprise must carefully determine the feasibility of FEA in their company by making sound management decisions that would facilitate the effective operation of the machine-building enterprises. That is why there is a need to form a portfolio of options of FEA, which involves determining the structure of the business portfolio and assess its options.

Stage 5. As indicated in Figure 2, initially the company analyzes its activities for data. The last twelve months are proposed to consider, as the period of the report, because during this period the enterprise does its own cycle of activity that enables to make well-founded conclusions. It is reasonable to choose twelve months as an examination period of the effectiveness of the activity in the chosen direction- time T.

As it's known, the main purpose of the enterprise's business is to maximize profits, and the enterprise may not be able to meet their need in his absence or reduction. Therefore, analysis of the activity should be based on the determination of the actual values of net income and comparing the obtained values with those of previous years. It is necessary to take appropriate management decisions to regulate the methods of achieving this goal on the basis of the obtained values.

However, before making the decision of changing the direction of the machine-building enterprise's activity we are offered to consider the opportunity of enhancement of the assessed values by using tools to ensure an adequate level of economic security of FEA, the selection of which is considered by the author in the

work (O. Prokopenko, M. Domashenko (2012)). The current direction of the machine-building enterprise's activity is possible after elimination of negative factors.

Conclusion. Summarizing the foregoing, it should be noted that the difference between organizational and economic mechanism of economic security of FEA of the machine-building enterprise is its main element of receptors such as foreign economic activity and the management process. It is based on the evaluation of the level of economic security of FEA. And accepted management decisions on the choice of activities are made in reliance upon this evaluation. The stages of management economic security of FEA of machine-building enterprises enable more efficiently to manage the processes of analyzing and selecting the most appropriate direction of the enterprise's activity, as well as investigate the possibility of switching of the enterprise to activity in the direction of FEA. It aims at market leadership and maximizing profits.

The results of this research can be used in further **scientific researches** which can be related to the assessment of the level of economic security of FEA of the machine-building enterprises, forming strategies and tools to ensure economic security of FEA of the machine-building enterprises.

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