

STRATEGIC ASPECTS OF FORMING OF ECONOMIC SECURITY OF THE ENTERPRISE

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In the current conditions of an open competitive environment, political and economic instability, business entities have complete independence in making decisions related to the determination of the development strategy, organization of production and selling of products, selection of counterparties and finding sources of financial resources. Therefore, the problems of effective functioning of enterprises and ensuring economic security are of paramount importance. The need for security is the basic one for individuals, enterprises, countries and society as a whole. Despite the fact that the problems of economic security are of particular importance, much of the research characterizes this concept at the state level only. But, if we take into account the fact that the enterprise is the national economy cell, the issues of ensuring economic security at the level of an economic entity still remain relevant. Obviously, ensuring the economic security is a priority task for enterprise operation, the solution of which provides for not only eliminating the threats of emergence of crisis phenomena, but also maintaining sustainable and maximally effective development, and creating an economically safe trajectory for further development of the enterprise.

The issues of ensuring economic security at the enterprise level are relatively new to the intelligence agenda. At the same time, they are considered by a sufficient number of scientists and researchers. In particular, the theoretical framework of the research was formed by the scientific works of the following scientists: E. Baikov, S. Bulanov, V. Vidiapin, V. Gaponenko, S. Glazev, L. Zaporozhtseva, L. Ivanova, N. Manokhina, M. Fedotova, V. Shults, A. Ianioglo and others.

Economic security and its provision from a practical point of view, indeed, has an individual character for the enterprise. Thus, for some enterprises, the problem of protection, implementation and development of its own potential is considered to be an actual one; for another enterprises it is sufficient to provide financial stability mechanisms only. Therefore, empirical research approaches and definitions of economic security give corresponding results when similar accents are used in the activity of particular enterprises [4, 7, 8].

Recent studies have shown that there are at least four approaches (system, situational, functional and process one) to the formation of the concept of economic

security of the enterprise [1-5, 7, 9].

Functional and systemic approaches to ensuring the economic security of the enterprise are the most common, and trying to cover all the functional areas of its activity, the enterprise faces the problem of the lack of specificity in the qualitative certainty of the notion of strategic economic security. At the same time, there is subjectivity of persons who manage the economic security of the enterprise [2, 5, 10].

A situational approach to managing the economic security of an enterprise has been widely used, because of its ability to determine the state of the economy in which the enterprise independently ensures its further sustainable social and economic development and maintains the necessary level of competitiveness. At the same time, the security of any socio-economic system is formed by the adaptability of strategic management, political analysis and other types of rational activity that are directly related to the future, based on the study of past and present periods [5, 10].

According to the process approach, economic security permeates all levels of the organizational structure of the enterprise. The business processes existing at the enterprise and their impact on its economic security are carefully studied. Each process at its own "exit" is focused on achieving the results able to ensure the economic security of the economic activities of the enterprise.

The logic of strategic security provision from the standpoint of situational and process approaches is determined by the need to assess threats and their leveling, with the definition of the enterprise's position on the life-cycle curve, where the points of bifurcation, which determine the symmetry of the enterprise's development, are of particular importance from the point of view of economic security nature.

Taking into account the availability of different approaches to the formation of the economic security of the enterprise in the economic literature, the variability of the bases for diagnosing the degree of their influence on the state of economy, the current problem is the identification of priorities, the formation of conceptual foundations and methods of strategic economic security in order to ensure sustainable development of business entities in the conditions of protection from possible threats.

The modern stage of the functioning of the economy requires a new approach to the management of enterprises, the development of their economic strategies that will enable to maintain its competitive advantages in the long term period. Therefore, it is important to ensure the stable and most efficient functioning of any business entity at present conditions, along with the creation of favourable conditions for the development of its potential and growth in future periods, that is, it means the necessity to ensure the economic security of the enterprise.

However, with all the diversity of scientific publications on the problems of economic security of the enterprise, methods and indicators of its assessment and enhancement, there is still a lack of a clear categorical apparatus for strategic

economic security of the enterprise, an imperfection of the methodological tool for estimation of the components of strategic economic security and the organizational and economic tools for its maintenance [1, 4, 10, 11]. In addition, it is necessary to transform the considered approaches with the purpose of its practical application in the process of monitoring the safe development of the enterprise.

In contrast to economic security, strategic economic security is aimed at securing a sustainable development of the enterprise in the long term period, despite the cyclical laws of its functioning by introducing an effective mechanism to protect against real and potential threats, as a set of interrelated structural elements. Management of strategic economic security is organically part of the overall security management system of the enterprise and is one of its functional subsystems that ensure the implementation of management decisions in the long term period.

Consideration of the strategic economic security of an enterprise, as an object of management, requires the implementation of a certain decomposition of this concept. The levels of decomposition of economic security of the enterprise as a control object are shown in Figure 1.

It should be kept in mind that the number of levels of decomposition of the notion of strategic economic security and their consistency can be adjusted by the enterprise independently, taking into account the specifics of their activity under existing economic conditions.

The methodology for ensuring strategic economic security is explained by the fact that internal threats to the economic security of the enterprise are manifested only with micro-level determinants, while external threats are determined by the determinants of both the micro- and meso- and macroeconomic levels of the economic security.

In order to establish a system of priority economic interests that need to be protected in the process of economic strategic development of an enterprise, it is necessary to determine the totality of components that form strategic economic security of the enterprise. Proceeding from the complex of these components, it is necessary to identify possible external and internal threats to the economic security of the enterprise, and, taking into account their influence, to define concrete measures that can be implemented in the struggle against these threats, and also to substantiate the enterprise development strategy based on the achieved level of its economic security. Thus, it is advisable to organize the systematization of threats to strategic economic security of the enterprise on the basis of grouping them not by sources of occurrence, but by key internal determinants.

This is more expedient from a methodological point of view because of the complexity of the practical application of the traditional classification in order to ensure the strategic economic security of the enterprise (See Table 1), because, first of all, their influence can be both positive (which raises the level of economic security) and negative one (which is related to the threats), secondly, the strength of their impact can be different, which requires the development of a methodology

for their evaluation and subsequent inclusion in the mechanism of a comprehensive assessment of the level of strategic economic security of the enterprise.

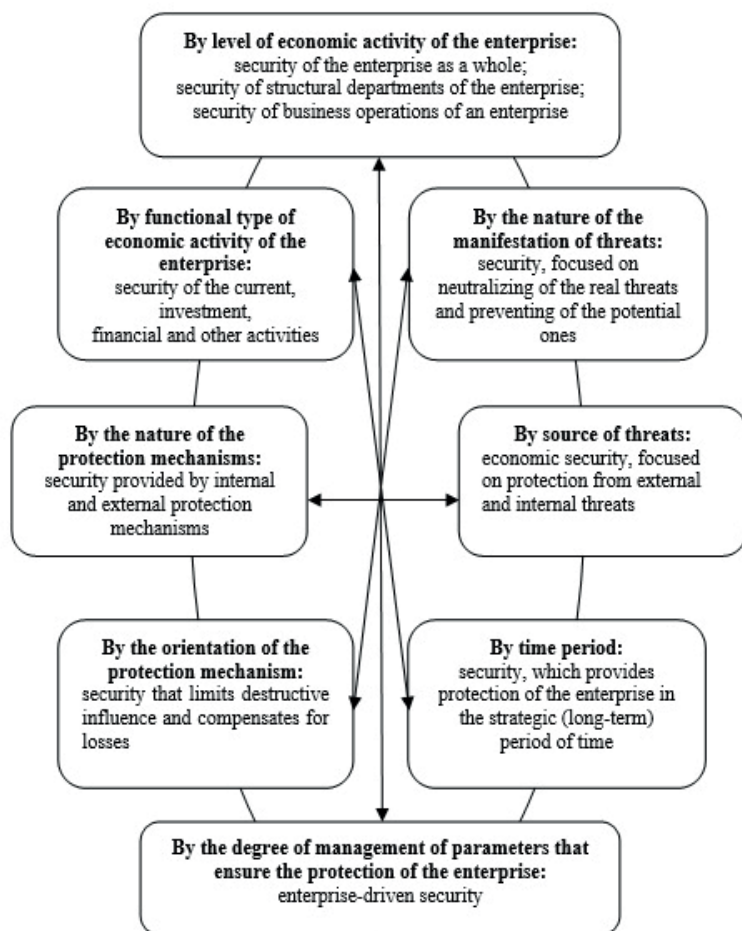


Figure 1. Decomposition of strategic economic security of the enterprise as a management object [developed by the author on the basis of the source: 9]

Threats arising from personnel, the organization of financial processes and the activity of the counterparties are related with the irrational character of organization of business processes of the enterprise in terms of their resource component. Business processes are not excluded from the system of the determinants of the strategic economic security of the enterprise, but are located within the system and can be monitored by monitoring the threats associated with the three above-mentioned functional components.

Table 1

The main threats and internal determinants of the strategic economic security of the enterprise [determined by the author on the basis of the sources: 9, 11]

The internal determinants of economic security	Threats to economic security of the enterprise
Staff	Low level of efficiency of work organization
	Reduction of management effectiveness
	Ineffectiveness of decisions taken by management personnel
	Inefficient motivation system
	Lack of investment in training, retraining and improving the skills of staff
Finance	Debt increase due to slower collection of receivables
	Loss of financial independence of the enterprise
	Decrease in the efficiency of the enterprise, loss of its profitability and self-recoupment, as well as its ability to further development
	Loss of liquidity of the enterprise
	Aging of fixed assets
	Unstable development of the enterprise
	The use of ineffective credit policy in the part of accounts receivable and payable
	Insolvency of the enterprise
	Reduction of the profitability and market value of the enterprise
	Overall destruction of enterprise value
Counterparties	The presence of negative information concerning the liability, truthfulness, seriousness of the counterparty's intentions
	Existence of negative credit history
	Lack of information about credit history
	Involvement of a counterparty in litigation
	The lack of coordination of the positions of the shareholders (owners) of counterparties on the main business issues
	The probability of reorganizing the counterparties in the near future
	The probability of opening in the near future or the actual commencement of bankruptcy and (or) liquidation procedure of the counterparty
	The existing arbitration practice with the counterparty in previous periods
	Low quality of the agreement on cooperation (significant conditions and guarantees are not stipulated, including the terms of debt repayment, penalties for non-observance of the terms of the contract and others)
	Absence of an agreement on cooperation (on purchase and sale, on performance of work, on provision of services, on rent etc.)
	Insolvency of a counterparty
	Investment risks
	Credit risks

The characteristics of a set of strategies are identified and discussed in the scientific literature. Depending on the level of strategic decisions, corporate, competitive and functional strategies are singled out [1, p. 30]. To create strategic economic security of the enterprise, it is of fundamental importance to consider the types of business strategies for the enterprise based on determining its level of strategic economic security and combination of its financial security levels, the reliability of counterparties, and the level of development of the management component. In the context of ensuring the economic security of the enterprise, we propose to distinguish four types of strategies depending on the level of its economic security (See Figure 2).

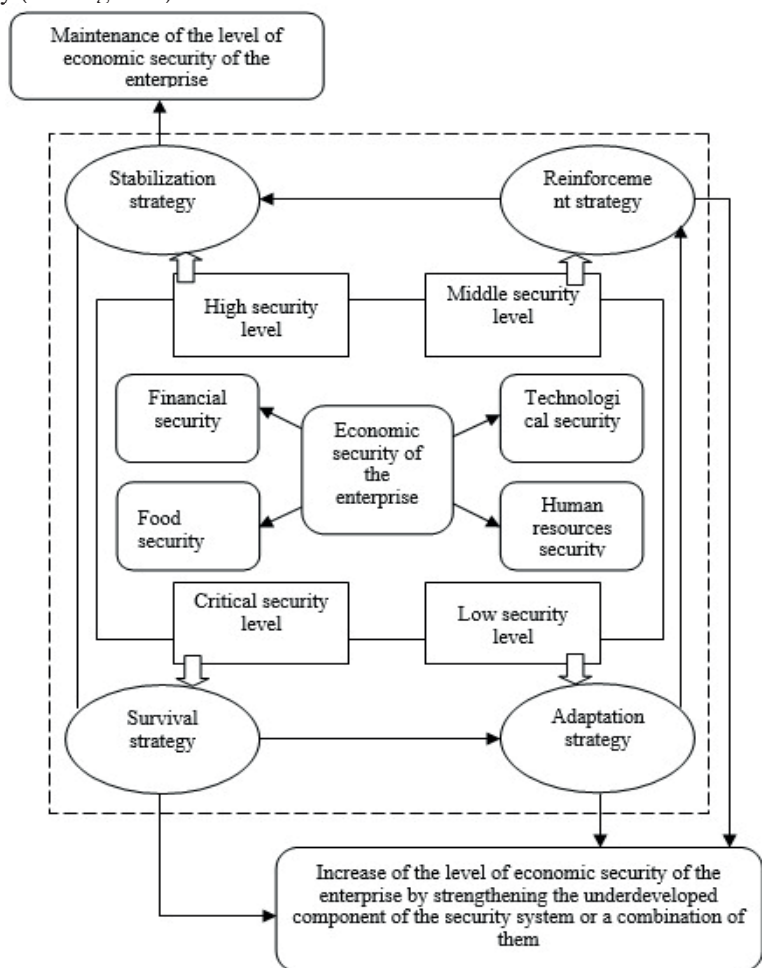


Figure 2. Strategies for ensuring the economic security of an enterprise [developed by the author on the basis of the sources: 1, 4, 9, 11]

The level of economic security of enterprises is determined by the state of its functional components. In the process of building a model for determining the strategy of economic security based on an analysis of the main indicators of the financial and economic activities of the enterprise, four levels of security were identified. With a high level of economic security, the enterprise must carry out its activities within the framework of the developed strategy, according to the adopted development path. If the level of economic security is lower than the high one, the enterprise needs to reconsider the adopted strategy and choose the one that would ensure the transition from the lowest level of economic security to the higher one.

Therefore, in conditions of high economic security, a stabilization strategy should be applied, which is aimed at supporting the existing state, monitoring threats and ensuring further improvement of the enterprise performance indicators and its further development. In the event of deterioration in one of the functional components, the level of economic security of the enterprise is also reduced.

The reinforcement strategy is aimed at improving the indicators of the most vulnerable component of the economic security of the enterprise and increasing its economic potential as a whole. In case of effective application of this strategy, the level of economic security of the enterprise will increase from medium to high level. If management does not take measures to improve economic security, the level of this indicator may remain unchanged, or even significantly decrease.

The adaptation strategy should be applied in conditions of low economic security. It is aimed at adapting the activities of the enterprise to the requirements of the market, optimizing costs, increasing its main indicators of financial and economic activity.

Conclusions. In conditions of critical economic safety, low level of economic activity of the enterprise, a survival strategy should be applied. Such a strategy requires the adoption of prompt, coordinated actions, as well as timely decisions to improve the state of changes in the activities of the enterprise and its withdrawal from the crisis.

To formulate the strategy of economic security it is not enough to use only generally accepted norms and indicators of the functioning of the enterprise. In this regard, it is first advisable to transform the threats to the economic security of an enterprise taking into account not only strategic prospects, but also the structure and key determinants of the economic security.

The success of an enterprise is largely determined by the speed and accuracy of its management response to external and internal factors. Depending on the state of economic security of the enterprise and the influence of the key factors, the top-management of any enterprise can take into account the recommendations on strengthening its economic security in the context of each functional component. These measures can be both preventive and reactive, one depending on the specific situation. Due to using the proposed mechanism for ensuring the economic security of the enterprise, it is possible to achieve its high level of effectiveness.

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