

ANTI-CRISIS MANAGEMENT AS THE BASIS OF ENSURING THE ECONOMIC STABILITY OF ENTERPRISES

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Abstract. Crisis management in today's economic environment is the basis for competitive and efficient operations of any company. Liquidation of unviable companies is a prerequisite for the effective functioning of the market mechanism. Indeed, launching bankruptcy proceedings is much easier than trying to restore the life cycle of an enterprise. However, the practical experience of global companies in overcoming crisis phenomena indicates the formation of a different approach to the development of the crisis process. In order to study the need to apply anti-crisis management mechanisms, the article analyzes the financial and economic condition of Sandora LLC using the methods of Fox, Tafler, Altman and Springate. The calculated data confirm the fact that the specifics of domestic business, inflation rates, tax legislation, general economic and political instability make it impossible to adequately apply foreign bankruptcy forecasting models with reliable results. The peculiarity of anti-crisis management at domestic enterprises is the need to use modern risk management methods, taking into account the timeframe and the impact of external and internal factors. Currently in Ukraine, only large corporations or branches of international companies create special structural units, hire risk managers or high-level managers whose experience and qualifications allow them to manage the company in a crisis situation. Therefore, the use of crisis prevention measures helps to increase the company's competitiveness, and ongoing diagnostics of activities, environmental analysis and identification of possible risks minimize future costs. The most important features of crisis management include the individuality of strategic programs for forecasting and overcoming crisis phenomena at an enterprise, which is primarily related to the individuality of the stages of formation and development of each company, indicators of economic efficiency and mission, the specifics of the management system, as well as the personal qualities, knowledge and experience of managers. In other words, each company should develop an individual crisis management program taking into account the global experience of risk management and the specifics of strategic planning in the short and long term. To evaluate the effectiveness of the crisis management strategy, it is necessary to determine the performance indicators and goals of such management. At the same time, the criteria for determining the effectiveness of the implemented program are purely individual and depend on many factors: the scope of activity, profitability, level of profitability, form of ownership, sales markets, company size, number of employees, etc.

Key words: anti-crisis management, bankruptcy, financial results, organization management, management, anti-crisis measures, anti-crisis policy.

JEL Classification: H71, H76, M48, R51

1. Introduction

The intensification of globalization processes in the world society has accelerated Ukraine's integration into the European space, which has been taking place since the beginning of its independence, but the final vector of its development was determined by the signing of the Association Agreement with the European

Union, which in turn opened up new opportunities and threats for domestic companies.

In today's business environment, crisis management is an important and necessary area of management development aimed at preventing crisis situations and overcoming them with minimal costs and consequences, which, for Ukraine, an economy that is under the influence

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of changing factors and various threats, is the basis for competitive and efficient operations of any company. Each company operates under the influence of internal and external factors that determine its business lines, marketing and sales policy, management strategy and market behavior, etc. In such conditions of interdependence of the economic system elements, risks and threats to the company's performance constantly arise and need to be addressed. To do this, it is necessary to introduce a crisis management system into the company's policy designed to calculate and identify possible crises, take preventive measures and manage the company during a crisis in order to overcome it and minimize its consequences.

2. Anti-crisis management of the enterprise: the essence of concepts and the concept of research

According to the general definition, a crisis is a turning point or a period of danger and uncertainty arising under the influence of various factors, and company management during a crisis can be described as managing an enterprise under pressure, which allows to effectively analyze, plan, organize, control the organization's activities, as well as to respond quickly and make rational decisions to solve current problems. Accordingly, crisis management involves forecasting crisis phenomena, analyzing the preconditions for their occurrence, developing measures to reduce the negative consequences and using its factors for further sustainable development (Kukhta, 2012).

Crisis management, on the other hand, involves coordinating complex technical and relational systems and developing organizational structures to prevent, mitigate, and learn from a crisis (Bundy, Pfarrer, Short, 2016).

Many researchers note the importance of studying the internal mechanisms of the organization in order to form the basis for the effective functioning of crisis management at the micro level (Alpaslan, 2009; Beck, 2009; Bigley, 2001).

Liquidation of unviable enterprises is a prerequisite for the effective functioning of the market mechanism. Indeed, it is much easier to initiate bankruptcy proceedings than to try to restore the life cycle of an enterprise. However, the practical experience of global companies in overcoming crises shows that

a different approach to the development of the crisis process is emerging.

Thus, the main purpose of anti-crisis measures, according to the latest trends, is to prevent the occurrence of crisis phenomena at the stage of company establishment, choice of its mission, formation and maintenance of an appropriate level of strategic potential that will provide the company with competitive advantages. At present, foreign corporations prefer stabilization, restructuring and development when choosing anti-crisis strategies, while in Ukraine they prefer restructuring, rehabilitation and liquidation of enterprises (Ladunka, 2017).

In particular, Kuznetsov E. S. interprets anti-crisis management as a complex management system of the organization, aimed at preventing the impact of adverse phenomena using response tools, developing and implementing a strategic program that allows overcoming difficulties, maintaining and improving market positions under any circumstances using own resources (Kuznetsov, 2012).

Therefore, most researchers note that anti-crisis management at the enterprise should be ongoing and consist of measures for early forecasting and the likelihood of crisis phenomena, implementation of anti-crisis measures to directly respond to threats from the internal and external environment, as well as overcoming the consequences of crises and using the experience gained in practice to prevent future crises.

In other words, anti-crisis management is an interconnected comprehensive system of company management characterized by a strategic focus, created to identify and eliminate current and future problems in operations by developing and implementing an effective and modern program of anti-crisis measures.

The consequences of crisis phenomena depend on the effectiveness of regulatory methods and are controversial, i.e., a crisis can have both negative and positive consequences: recovery of the socio-economic system or its destruction; aggravation or alleviation of social and economic problems. That is why the development of anti-crisis measures requires a systematic and comprehensive approach, using the experience of the world's leading countries.

The essence of the crisis management mechanism lies in its ability to restore the company's effective operations during a crisis based on self-

organization, maintaining internal stability and a changing external environment. The use of a systemic approach in the crisis management mechanism determines the systemic vision of the main directions and stages of its work and depends on the type and cycle of the crisis.

Thus, the process of anti-crisis management is a set of clearly defined sequential targeted actions and stages characterized by certain response methods and tools to bring a company out of a crisis. The current unstable economic situation in the country, characterized by inflation, corruption, change of government, integration and opening of the domestic market, encourages managers to form crisis management systems as part of the overall management structure of enterprises that will be most effective in a crisis. That is, the risk management system should function continuously, and not just be implemented at the first sign of a crisis, so the methodology should be based on the theory and practice of the world management science, taking into account the specifics of the company's activities (Yurynets, 2014).

Thus, it can be noted that crisis management in the current economic environment is an important and necessary area of management development aimed at preventing crisis situations, overcoming them with minimal costs and consequences, which for Ukraine, an economy that is under the influence of changing factors and various threats, is the basis for competitive and efficient operation of any company.

3. Crisis state of the enterprise – when is crisis management needed?

Ukraine's economy is developing under the influence of economic transformations aimed at ensuring the transition to a market economy and is currently undergoing a transformation phase. In the context of European integration, more and more companies will be interested in entering the foreign market, and the first thing they must ensure is the competitiveness of their products. Sandora LLC is one of the most developed companies in the Ukrainian food market and tops many ratings of successful businesses. The company's main specialization is the production of juices and juice drinks.

In order to study the need to apply anti-crisis management mechanisms, the authors have diagnosed the financial and economic condition of Sandora LLC according to the methods of Lees, Tafler, Altman, and Springate and obtained contradictory generalized results (Tereshchenko, 2003; Chibisova, 2012; Sabadash, 2012). Although, in general, the calculations showed that the threat of a financial crisis of bankruptcy in 2020 increased significantly, the results of all 4 models have approximately the same trend line (Figure 1).

The researchers believe that these models and their calculation systems have common disadvantages and their causes, they are unsuitable for practical application at domestic enterprises, the indicators of financial condition calculation do not fully determine the current

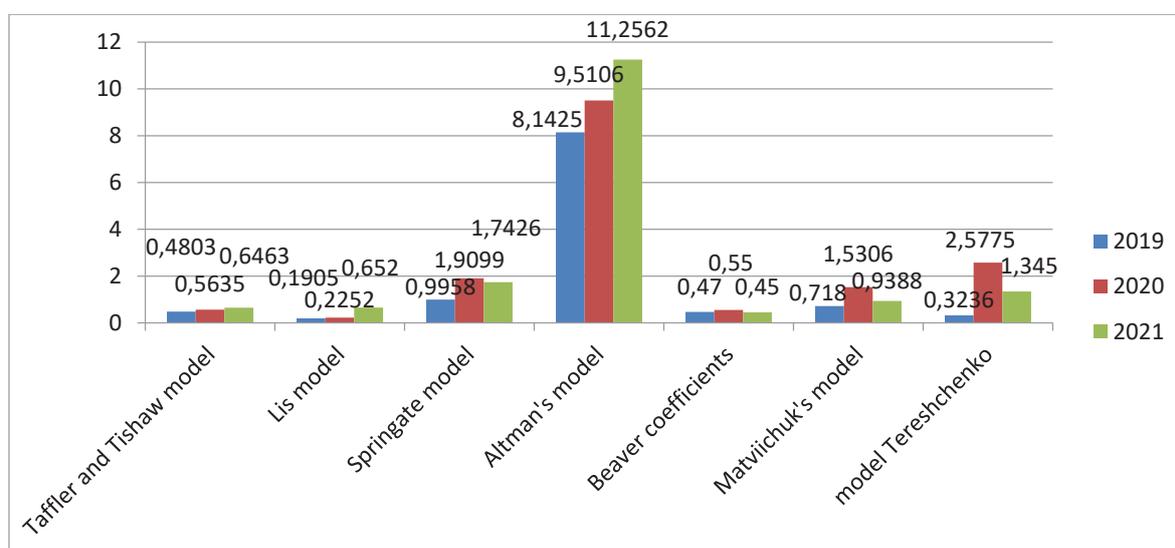


Figure 1. Probability of bankruptcy of Sandora LLC according to different models

state of the enterprise, and the values obtained as a result of applying these models often differ.

Thus, according to G. Springate's model, Sandora LLC reached the bankruptcy line in 2020, although according to R. J. Tafler's model, Altman's two-factor and five-factor models, the company has a good long-term perspective. The calculated data confirm the fact that the specifics of domestic business, inflation rates, tax legislation, and general economic and political instability make it impossible to adequately apply foreign bankruptcy forecasting models with reliable results.

To summarize, it should be noted that domestic models for assessing and calculating the probability of bankruptcy of Sandora LLC are more consistent with the real state and financial stability of the enterprise (Figure 1). After all, although foreign models recorded an increase in the risk of bankruptcy of the enterprise in 2020, no significant problems in liquidity and management were characterized, unlike domestic models.

The company's risk analysis should take into account internal and external factors of influence. Thus, external factors of crisis situations generally include the economic and political situation in the country, inflation, stability of the national currency as prerequisites for the risk of losses due to exchange rate differences, the emergence and impact of global crises, relations with other countries in the field of trade, customs clearance, trade restrictions and product quality standards, both when importing raw materials and exporting products.

To analyze performance, it is advisable to use the SWOT analysis method, which takes into account the strengths, weaknesses, opportunities and threats of the activity (Table 1).

According to the general methodology, the internal risks of Sandora LLC include risks related to the product range, consumer behavior, pricing, product and sales policies, production capacity, market competition, technology upgrades, compliance with quality certificates, etc.

In order to analyze internal threats, it is necessary to analyze the company's competitive advantages, its market position, and the prerequisites for building capacity and potential. Today, Sandora LLC is a leader in the production of juices and nectars due to innovative development, improvement of production processes, development of new products, and use of advanced technologies. The company prioritizes consumer taste preferences, and its product range includes almost 300 items. Sandora's sales offices cover most of Ukraine. The company exports 25% of its products to more than 20 countries.

The company's pricing policy is based on full costs and provides for the establishment of a single wholesale price in all regions. Raw materials account for almost 50% of the price structure. The margin is 8-14%, depending on the type of raw material. Despite the significant difference in the price of local and imported raw materials, the company strives to maintain almost a uniform price level for the entire range of juices and nectars.

Table 1

SWOT-analysis "Sandora" LLC

Strengths	Weaknesses
Long period of work in the domestic market;	Limited access to foreign markets;
High quality of products: naturalness of products;	Large number of substitute products, competitive position is deteriorating;
High image of the company;	One main type of activity;
Regular promotions, discounts, gifts;	Limited resources;
Wide range of products.	High cost of production.
Opportunities	Threats
Increase in purchasing power of the population;	Oversaturation of the domestic market with products of competitors and foreign manufacturers;
Increase in the number of advertisements;	Instability of the economic and political system; military operations in the country
Growth in construction and the number of gardens;	New competitors entering the Ukrainian market;
Entering new markets;	A large number of substitute products;
Expansion of the product line in line with global trends.	Changes in legislation and product quality and safety standards.

Table 2

SWOT-matrix "Sandora" LLC

	Opportunities	Threats
Strengths	development of relations in the regions	ensuring the highest quality of the national product
	expansion of the sales network	increasing consumer solvency
	signing new agreements with foreign companies	attracting foreign investors
	state support for domestic producers	
Weaknesses	improvement of the marketing program	creation of a new marketing policy for the European market
	development of a new personnel management	concept for securing agreements in the regions
	entering the foreign market with a quality product in the short term	signing long-term cooperation contracts
	launch of a new product with depreciation due to a powerful production line	increase in production volumes
	creation of a clear distinction between juice and substitute products	clear formulation of the main advantages of the presented products

The main essence of Sandora's product policy is to form a product range that would bring profit to the company, meet global trends and satisfy consumer demands. According to the results of the study, it can be noted that the products of Sandora LLC are at the stage of market saturation and optimal use of the stabilization strategy, which does not require significant investment, market capture, but only minor supporting advertising and stability.

4. Formation of ways of anti-crisis management at the enterprise

As already mentioned, the crisis management process is a system of management measures aimed at diagnosing, preventing, neutralizing, minimizing the consequences and overcoming crisis phenomena and their causes.

According to the analysis of Sandora LLC's activities, internal and external environment factors that should be taken into account when drawing up an anti-crisis program, the following areas of activity should be strengthened:

1. Increase market share by leveraging the existing wide sales network.
2. Belonging to the international corporation PepsiCo provides an opportunity to enter international markets using its experience and technologies.
3. Increase production capacity by increasing the authorized capital.
4. The use of high-tech and resource-saving equipment can become a competitive advantage, which will reduce the cost of production without compromising its quality.

5. Developing new products in line with consumer preferences.

6. Recruitment of qualified personnel.

7. Thanks to the variety of brands and trademarks, prevent the loss of the target audience and market share.

8. The advantages of the location help to reduce transportation costs.

9. The well-established system of imported raw materials allows the company not to reduce its own production capacity even in the event of a poor harvest of vegetables and fruits, for which the company usually grows its own raw materials.

10. Development of a new marketing and sales policy.

11. The production of juices in a glass bottle can increase market share in line with new trends, even on the global market.

12. Increase profitability by reducing costs.

The SWOT-analysis shows that using its strengths, Sandora LLC can increase the share of the domestic and even international market. On the basis of its own scientific base, as well as innovations and technological innovations of PepsiCo, the company can produce new products and increase sales.

With the help of its advantages and strengths, Sandora LLC can deal with market risks, because thanks to its large assortment, it can avoid reducing the target audience and reduce the number of competitors in the market. The use of the latest technologies that will reduce production costs will make Sandora juices available to the general population, regardless

of their income level. Thus, the company will not feel the change in the age structure of the population, which is accompanied by a drop in sales.

Currently, juices are most often bought by children, young people and people aged 21-40; athletes and healthy eating; on holidays and in summer; the older generation still prefers homemade juices. The company's factories, warehouses and orchards are conveniently located throughout Ukraine, which helps to reduce transportation and logistics costs and lower production costs.

According to the concept of the enterprise life cycle, Sandora LLC, after many years of market leadership, is at the highest point of development, after which, if appropriate measures are not taken, a decline in production may occur. This situation requires reorganization of the company, its management system, production, etc. to start a new life cycle (Kukhta, 2012).

An important prerequisite for applying the right anti-crisis measures and responding in a timely manner is to determine the depth of the financial crisis. In this regard, there are several phases of the crisis:

Phase 1 – does not directly threaten the operation of the enterprise;

Phase 2 – threatens the company's continued existence and requires immediate anti-crisis measures to reduce the likelihood of bankruptcy;

Phase 3 – a crisis condition that is incompatible with the further existence of the company and leads to its reorganization or liquidation.

According to the calculations of the probability of bankruptcy based on domestic models, which are the most acceptable for Ukrainian enterprises, Sandora LLC is in the second phase, i.e., it needs to implement an anti-crisis strategy.

The most important aspect of the anti-crisis strategy is the prevention of crises, preventing their occurrence, and making management decisions before the company finds itself in a crisis situation according to its key financial and economic indicators. Therefore, Sandora LLC should have a prevention system as a component and the first stage of the crisis management system:

1. Develop a typology of possible crises. That is, it is necessary to analyze and define the typology of possible crises of the company, determine in advance the parameters of their

identification, probability of occurrence, conditions for avoidance, and the possible scale of losses. The values of threshold parameters or indicators for determining a crisis situation and classifying it as a certain type of risk are set by the management. Such indicators of these parameters will allow to focus on the availability of financial and operational reserves, strategic goals and development plans of the enterprise, as well as the wishes of shareholders in the field of efficiency and reliability of the enterprise.

2. A program of measures to overcome crisis situations. According to this approach, the identified crisis situations are assessed and ranked by the degree of danger, and, according to each of them, a strategy and a program of measures to resolve it are developed. This identifies the priority objects to be protected in the event of a specific crisis, which must be addressed first: people's safety, the company's reputation, business continuity, the amount of material damage, environmental damage, etc.

3. Creation of an anti-crisis management team of about 10 people from employees of various divisions of the company (sales, supply, consumption, marketing, management, etc.) with the involvement of insurance and legal experts, as well as a highly qualified risk manager. Their actions must be clear and coordinated, they must make decisions, often in stressful situations, and take responsibility for them, because depending on how quickly and accurately the company responds to a threat, it is clear how effective the work of such a team is and the feasibility of its creation.

For Sandora LLC, an important area of anti-crisis policy should be the use of strategic and current planning. Strategic planning is a systematic and logical process of implementing an anti-crisis strategy into specific anti-crisis plans, projects, and programs with the possibility of assessing their future effectiveness.

It is worth noting certain areas or structural elements of the anti-crisis policy that are recommended to be implemented in the management system of Sandora LLC to improve the efficiency of operations and reduce the likelihood of bankruptcy:

– anti-crisis HR management system, which involves improving the system of motivation and evaluation of employees, especially during a crisis at the enterprise, because only a highly

qualified, motivated and loyal employee will be able to work most productively in the face of risks;

- anti-crisis marketing policy, which includes research of the competitive environment: the market, consumers, suppliers, intermediaries, sales network and, of course, competitors and their advantages;

- developed a system of indicators for diagnosing an impending crisis, determining its type or scope of influence, as well as indicators for assessing the effectiveness of the anti-crisis program;

- developed programs and strategy of anti-crisis management.

The anti-crisis management program should fulfill two main tasks: overcoming the consequences of the crisis and eliminating the factors that contribute to the development of crisis phenomena at the enterprise.

An anti-crisis program should include the following steps:

- special anti-crisis monitoring and situational analysis to identify potential problems and areas of physical activity. In this case, the anti-crisis working group should identify the main risk factors, determine their interrelationships and impact on the overall state of the enterprise. It is also important to carefully define which factors the company can withstand and which need to be reduced;

- development and implementation of a system of measures to prevent crisis phenomena, early elimination of possible causes of the crisis: refusal to produce products that are not in demand, search for new suppliers of raw materials in case of supply disruptions, closure of unprofitable production facilities, etc.;

- preparation of an action plan and response measures in the event of inevitable or possible crises when it is impossible to eliminate their causes: implementation of compensation measures, staff training, etc.;

- immediate response to a crisis situation, actions to prevent losses, liquidation of a crisis situation, and mobilization of resources;

- monitoring the implementation of the program and evaluating its effectiveness;

- mitigating or eliminating the consequences of the crisis through the implementation of an anti-crisis strategy;

- implementing stabilization measures and measures aimed at avoiding such risks in the future.

When working out and developing ways to overcome the crisis, it is recommended to use

brainstorming with representatives of the anti-crisis working group and other top managers. The essence of this method is to generate a large number of ideas by a certain group of people and process them further to obtain the best idea or solution.

At the micro level, it is recommended to implement an Early Warning and Response System, a special information system that informs management and the working group about potential external and internal risks. This system identifies and analyzes information about hidden threats, the realization of which can lead to a crisis, loss of potential opportunities or bankruptcy. The main tasks of such a system also include: timely detection of negative factors and trends in the development of certain indicators, internal and external parameters of the enterprise; quick identification of the financial crisis and its causes; adoption and development of preventive and anti-crisis measures.

5. Conclusions

Anti-crisis management at the enterprise should be ongoing and consist of measures for early forecasting and probability of crisis phenomena, implementation of anti-crisis measures to directly respond to threats from the internal and external environment, as well as overcoming the consequences of crises and using the experience gained in practice to prevent the occurrence of crises in the future.

The specifics of the goals and objectives of crisis management are determined by the principles of uncertainty, and such indicators as the costs of overcoming the crisis and its consequences, the assessment of the result, and the timing of achieving strategic goals are closely interrelated. The essence of crisis management is expressed in the provisions that characterize the cyclical nature of crisis phenomena and the likelihood of their occurrence under any conditions during a certain period of the company's formation and development.

The peculiarity of anti-crisis management at domestic enterprises is the need to use modern methods of risk management, taking into account the timeframe and the impact of external and internal factors. Currently in Ukraine, only large corporations or branches of international companies create special structural units, hire risk managers or high-level managers whose experience and qualifications allow them to

manage the company in a crisis situation. Therefore, the application of measures to prevent crisis phenomena contributes to the company's competitiveness, and the ongoing diagnostics of activities, analysis of the environment and identification of possible risks minimizes future costs.

The most important features of crisis management include the individuality of strategic programs for forecasting and overcoming crisis phenomena at an enterprise, which is primarily related to the individuality of the stages of formation and development of each company, indicators of economic efficiency and mission, the specifics of the management system, as well as the personal qualities, knowledge and experience of managers. In other words, an individual crisis management program should

be created for each company, taking into account global risk management experience and the specifics of strategic planning in the short and long term.

To evaluate the effectiveness of the anti-crisis strategy, it is necessary to determine the performance indicators and goals of such management. At the same time, the criteria for determining the effectiveness of the implemented program are purely individual and depend on many factors: the scope of activity, profitability, level of profitability, form of ownership, sales markets, company size, number of employees, etc.

The crisis management program should perform two main tasks: overcoming the consequences of the crisis and eliminating the factors that contribute to the development of crisis phenomena at the enterprise.

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