ECONOMIC RISK MANAGEMENT SYSTEM AT THE ENTERPRISE IN THE CONVENTION OF THE COVID-19 PANDEMIC

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The system of economic risk management in enterprises indicates the need to develop an effective mechanism that would help in the current circumstances to achieve the best results and avoid serious problems and situations. There is an objective need to build a system of economic risk management and internal control through enhanced procurement monitoring, tender policy, contract management and business partner selection and verification policies [3].

The outbreak of coronavirus infection COVID-19 and severe restrictions aimed at curbing its spread have a significant impact on the world economy. Uncertainty about the development of events and timing of overcoming the pandemic significantly complicates the forecasting of the future. These developments have created an unprecedented level of uncertainty and risk for many companies.

In the current situation, the budgets that have been drawn up and approved will in many cases no longer be relevant and will require significant revision. This will directly relate to expected sales volumes and prices, gross margin, changes in working capital, the effect of exchange rate differences, and so on. It is important that the economic risk assessment takes into account different scenarios, including a reasonably likely scenario of deterioration. The key task should be to assess the company’s liquidity in order to continue to meet its obligations on time [2].

Given the spread of coronavirus, the business environment must be prepared for challenges and make appropriate adjustments to their own strategies and business plans that will minimize the negative consequences associated with the spread of the virus in the enterprise.

We have developed a number of recommendations for risk management in the enterprise in the context of the COVID-19 pandemic, which are as follows:

✓ appoint a responsible member of the company’s staff (department, station, etc.), who will be constantly in touch and monitor the situation at the company;
✓ review and constantly update the business plan of the enterprise, adapting it to changing circumstances and new information about the spread of the virus;
✓ assess the impact of potential risks in areas related to your business. We recommend having several predictable scenarios, given the scale of the spread of the COVID-19 pandemic;
✓ constantly communicate (if necessary online) with suppliers and customers, which will determine the sensitivity of the market and the extent of possible effects of the virus on your business and develop the necessary scenarios to improve the situation;
✓ develop a strategy for possible alternative changes in suppliers, markets and even activities.

As the pandemic has unfortunately become an integral part of human life and doing business, businesses must be economically ready to act quickly and effectively according to the formula "fighting the pandemic plus minimizing the negative short-, medium- and long-term effects." Such an economic anti-epidemic package must take into account the following mandatory elements:
✓ costs associated with ensuring pandemic preparedness, which can be considered an investment in minimizing possible future problems. In fact, it is about the readiness to quickly and adequately finance anti-epidemic measures at enterprises;
✓ costs associated with the negative impact of pandemic on the economy of Ukraine and the costs of increasing the mobility of enterprises, which will help to switch to alternative activities and reduce the level of risk.

The COVID-19 pandemic is having an unprecedented impact on businesses and workers around the world, but is currently at a critical juncture in response. Employers are currently faced with the challenge of maintaining support in times of economic downturn and caring for their employees [1]. In order to ensure the health of workers, prevent outbreaks in the workplace and reduce the global economic downturn, most companies take precautionary measures in the form of social distancing.

References: