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BASIC PRINCIPLES OF RUNNING AN AIRCRAFT CONSTRUCTION ENTERPRISE AT CRISIS.

The article covers basic management principles of running the air construction enterprise as well as main stages of adopting and successful implementing strategic decisions.

Key words: crisis, strategy, decision-making.

У статті на прикладі підприємств авіабудівної галузі розглядаються основні принципи управління організацією, а також основні етапи прийняття і ефективної реалізації управлінських рішень.

В статье на примере предприятий авиастроительной отрасли рассматриваются основные принципы управления организацией, а также основные этапы принятия и реализации управленческих решений.

Problem placement: The development of market relations in Ukraine stipulated a profound transformation as well as reorganization of management structure, generation and implementation of strategic decisions at state-owned enterprises, including aircraft construction industry. The intricacy of structure, large scales combined with lack of uniformity of state property, ambiguous results of its recent management show the dire necessity of profound improvements in aircraft construction enterprises management that is determined as one of the key issues stipulated by the state policy principles in the sphere of effectiveness and competitiveness recovery of the national aircraft construction enterprises.

Research done: The major research in the sphere of strategic decision-making as well as generation of company's strategy at crisis is done by the following analysts: M.Porter, S.Miller, D.Miller, D.Hickson, V.Kitushin, F.Byk. Nevertheless domestic scholars don't learn the specifics of decision making while running a state controlled aircraft construction enterprise at crisis. Nor such research is done for strategy-making, as well as potential ways of competitiveness recovery in terms of enterprises of this kind.

Objectives: to make an outlook of major principles of running an aircraft construction enterprise at crisis combined with basic steps of market strategy development and key stages of decision making.

Global economic recession, has put a number of principal issues before humanity including the prospects of international economy development, with the emphasis on its operations and mechanisms to promote the interests of the country.

It is worth mentioning that the current downturn has exposed considerable errors in the mechanism of wealth distribution within the global economy. They indicate that the development of the current system has achieved its top level, that demands its major modernization, especially its basic components.

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Theoretically, this is still an obvious problem of the contemporary model. On the other hand, a number of anti-crisis steps taken in Western countries were not approved by analysts. Such situation within time period can cause a repeat of the crisis of the world economy.

Considering the abovementioned, the global downturn has been the accelerator for many global processes.

There is a clear trend of transformation of the countries' participation model in challenging key global issues and creating appropriate mechanisms.

«G-20» can be considered as one of the key solutions. The major economies, urging the crisis, due to the the global society has seized that the most daunting economic problems are insignificant without the impact of major developing countries.

Initially, it was planned to hold an extraordinary meeting of the G-8. However, the plans had to be abandoned because the interests of such countries as China, Brazil, India, South Korea, as well as a large number of developing countries were not taken into account. Within such approach, it is absolutely impossible to create a powerful base for instant response to complex economic problems, including the crisis. After much debate, it was decided to convene a forum in the format of "G-20." The original idea of creating a "G-20" was an intent to promote the cooperation between different countries through the development of common solutions on the level of finance ministers and central bank heads. Moreover, such forum unites 19 countries, including representatives of the European Union and many developing countries, thus covering 90% of world GDP and two-thirds of the world.

Consequences of the crisis were so immense that an emergency mode was selected to convene meeting. At the same time there was another group of issues combining the organization, structure and concept of the new association. First, is to create the balance within the system of global economic regulation and to identify its main objectives and goals. It was noted that the managing of the consequences of the crisis should be one of the main but not the sole purpose of "G-20". The other group of issues included the place of the new association within the system of international organizations and institutions, as well as finding ways to a swift transition to the new format, taking into account social, environmental and economic factors. Only after the resolution of these problems has been found it is possible to consider a new organization as a new center of the development of international economic and political decisions. Certainly, the positive side of creating such an association is the increased role of developing countries in decision-making concerning the key issues of global economy.

The crisis has reemphasized the urgent need for control over the economy by the governments in many countries. First of all, this is true for the U.S., Western countries as well as a number of post-Soviet countries. By increasing public spending to support the private sector, these governments had to assume the functions of stabilizing the economy. Thus, some basic postulates of the free market theory were challenged, that was dictated by the processes occurring in the global economic space of the last ten years.

Governments adopted a package of measures, including increasing the budget deficit and the growth of external and internal debt.

Governments have gone to such drastic measures to stabilize the banking sector, as well as stimulate the private sector, which has led to increased consumption. So, for example in China, subsidies have reached \$ 600 billion and were directed to support the infrastructure and social services.

Experts believe that to combat the effects of the crisis more than \$ 5 trillion were allocated globally. Thereupon the budget deficit increased substantially. Thus, 2009 state budget deficit reached an incredible figure of \$ 1.4 trillion only in the U.S.A. In October 2009, Moody's issued a statement on the revision of the rating concerning its lowering from the AAA, in case the gov-

ernment fails to reduce the rate to an acceptable level. In the EU countries the public debt rose to 100% of total GDP, whereas it did not exceed 70% before the crisis. Budget deficit of the G-20 countries has increased from 2 to 10% of GDP.

We should add that the problems of national debt and budget deficits have become of first priority in many countries. The fall of the economy in Dubai and Greece, draws attention to the danger of the uncontrolled increase of budget deficit once again. Growth of public debt is no longer an issue of several countries, and threatens global economic prosperity. Japan's public debt reached a record high of 200% of GDP, which is unacceptable for the leading economies. A similar situation exists in the UK and the USA. The global economic crisis has led to the growth of the aggregate debt of "G-20" from 80% to 120% of GDP. In its turn, this means an end to a further borrowing as an anti-crisis measure.

In the medium term the world economy faces the serious problem of liquidity and a sharp tightening of credit conditions, as the government significantly reduced the number of grants and allocations, which led to the minimization of the state role in supporting the economy. Consequently, the decline in liquidity will lead to a drop in investment activity that is displayed on slowing economic growth, particularly in developing countries.

Another important factor affecting the recovery of pre-crisis level of economic growth is the level of consumption. In many leading countries, particularly the U.S., levels of consumer debt increased drastically. This is followed by the fact that most businesses have suffered tangible losses due to the recession, reduced the overall level of savings and welfare.

In the capital market investment funds operating in the interests of households are regarded as the major investors. But as their economic situation had felt a strong blow, the level of transactions with the funds fell significantly, while the funds, in turn reduce their activities. What is causing non-renewable damage to the economy.

The global economic downturn has disproved some the major economic views, both theoretically and practically. It showed that some of the key components of this model have become exhausted and require a major revision and changes that allow the resumption of economic growth. It should be noted that it is necessary to consolidate efforts to combat the effects of the crisis, as it is likely to strike again. The fact that, despite the massive injections of funds into the economy, the crisis was only temporarily neutralized, and indices of growth are unstable, only confirms this hypothesis. Also, the anti-crisis measures taken by governments, not always forge positive results, and as a result, the current situation has only worsened. Under such circumstances, it is extremely important that developing countries take part in the process of solution making and development of crisis management measures. Through active participation in discussing and finding suitable and effective crisis management measures, developing countries can facilitate in fighting the crisis consequences, thereby greatly enhancing their role in the international space.

For state-owned enterprises, crisis management is urgent, it is no longer limited to dealing with emergencies, and pay attention to the deep-level mining enterprise management reasons for becoming an integral part of business management. Management is not a point but a line of movement and they are interrelated. Crisis management the same way, it is the process of eliminating business risk factors of a series of activities, including three stages, namely, crisis prevention, crisis and defuse the crisis concluded.

1. Crisis Prevention. Focus on crisis management is crisis prevention, not crisis. Superior risk management not only able to prevent potential crisis situation, take active measures to pre-control, but also to prepare for possible crises, drawn up plans to ease crisis response.

Crisis prevention measures are mainly the following:

(1) Foster a strong sense of crisis. The concept of crisis management is contingency planning. Bad situation in the business, people easy to see that existence of the business crisis, but when the sun at high noon in the enterprise, be prepared is not an easy task, but the crisis will often come in to waste their time. Therefore, enterprises should first establish a kind of crisis management "crisis" concept, creating a "crisis" atmosphere, so that business and all employees to face the fierce market competition, crisis-ridden sense of understanding of business there is risk, product risk. Ideas to motivate employees to use the crisis sense of crisis and fighting spirit, keep fighting, keep the reform and innovation, and constant pursuit of higher goals.

(2) Te introduction of crisis management framework. Managers shall try to establish the framework of crisis management, organizational structure, which is mainly composed of three parts, the first part of an information system, the second part of the decision-making system, the third part of the operation of the system. Information system is mainly responsible for external work, by the Department of information integration, information and advice to the Department of Foreign Exchange Management Department of the composition. Information Integration Foreign Ministry sent a scout to collect information on the information, and collate the information collected and assessment of identification; information on the Ministry of Foreign exchange to meet the public, the media, interest groups and people outside the crisis, advice of the Department of Management responsible for the crisis caused by the impact and crisis management and related public interest groups on the organization's views and recommendations for improvement, some important information in a timely manner to senior corporate reporting. crisis management decision-making system is composed of the commander, responsible for the overall work of the crisis, he must have sufficient authority to make decisions, usually by the chief crisis manager, as the company's business decision-making levels, managers may also be secondary or primary served, but this time must be granted by the senior decision-making authority of its larger. operation of the system by the departments to the Department of the Ministry and actual combat, of which department to contact the department responsible for liaison with internal departments affected by the crisis and affected the sector, it is normal business areas affected by the crisis areas with a link, while the actual Department is responsible for the strategic plan of the crisis management response translated into actual strategies and plans, and through the expertise to implement these plans. This crisis management frame structure, no matter what type of deal, size and nature of the crisis, have clearly limited the work of each department and goals. The communication within the organization and provision of information to external groups separately, reducing misunderstanding and confrontation, reduces the impact of corporate reputation.

(3) The establishment of crisis early warning system. Crisis early warning system is the use of certain scientific and technological methods and means of production and operation process variables were analyzed and the possible source of crisis in the police set the alarm indicators, alarm capture time, at any time on the enterprise monitoring operational states , on the harm their own survival and development issues in advance prediction and analysis, to meet the crisis prevention purpose. Crisis early warning system mainly include the following aspects: First, crisis monitoring. Refers to the various factors that may lead to crisis and crisis of representation through rigorous monitoring, to collect information on corporate crisis, to grasp the changes in corporate crisis first hand. Second, the crisis prediction and forecasting. Means the monitoring of the information for identification, classification and analysis. Crisis monitoring and forecasting are complementary, they are enterprises in pre-crisis and crisis control the foundation and basis for, the most important thing is to collect and collate information, select the appropriate method to judge, to win the time of crisis. Third, pre-crisis control. An enterprise should ad-

dress the factors that lead to the possibility of enterprise crisis, to crisis response measures and the development of various plans, to effectively prevent the occurrence of a crisis or a crisis as far as possible to reduce the losses to a minimum.

2. Crisis management crisis prevention can only minimize the number or extent of the value, but can not prevent all crises coming. Companies can staff the following aspects:

(1) The fastest start the crisis management plan, if the initial response delay, will result in the spread and expansion of the crisis.

(2) The public interest should be the first place. To achieve long-term interests of the company from crisis to crisis, should pay more attention to resolve the interests of consumers and not just short-term business interests, take concrete action to show the sincerity of the company to resolve the crisis, as far as possible affected by the crisis of the public to make up loss, this will help safeguard the company's image.

(3) Open and efficient information distribution channels. Sincerity is the best strategy for companies in crisis. Enterprises should master the initiative of media coverage, by holding a news conference, using the Internet, telephone, fax the form to the public the specific circumstances of this crisis, the company's present and future responses to such content, information to be specific, accurate: always ready to accept the media and the public's access to low profile, full of compassion and affinity in expressing regret that position.

(4) Select the appropriate crisis management strategies, such as crisis stop strategy, risk isolation strategy, risk exclusion strategy, crisis strategy used. separate strategy, crises often have knock-on effect, a kind of crisis often lead to another crisis, this enterprise in times of crisis, the crisis should be managed to minimize the negative impact of isolation in the context of avoiding bring disaster other non-related production operations.

Suspension of strategy is the development trend according to the crisis, the initiative to bear the losses caused by the crisis, such as stop sale, recovery of product, closing the factories, department.

Elimination strategy. Requires enterprises to established crisis management measures, the crisis quickly and effectively eliminate the negative effects: positive material to good use, dilute the negative impact of the crisis, such as through the media to convey the concerns of the consequences of corporate crisis, measures taken, and ready to accept the media's access to and answer questions.

Utilization strategy. The strategy is to change "crisis" to "life" of an important part of the more in times of crisis, the more clear to a good business overall quality and overall strength. Long as honest, frank and responsible attitude, it may be a crisis into life. Handled properly, will receive a bad thing turned into a good result.

(5) Full notary or authority of the role of institutions to resolve the crisis. Use of authority in the public mind a good image, crisis management, it is best to invite a notary public or the authorities supporting the investigation, in order to win public trust, which often deal with the crisis on the company can play a decisive role.

3. Summary. Crisis management summary is the last important part of its development of a new round of crisis prevention has important reference value, therefore, deal with the crisis management of serious and systematic summary.

(1) Survey. On the causes of the crisis, prevention and treatment measures for the implementation of systematic investigation and analysis of are regarded as key factors.

(2) Evaluation. On crisis management and to conduct a comprehensive evaluation, including on early warning systems and procedures of, a crisis management plan, crisis decision-making levels evaluation, to be an exhaustive list of risk management of existing problems.

(3) Correction. Crisis to various issues involved in classification, corrective measures were proposed to improve the business management of enterprises, and instructed relevant departments to be gradually implemented, improve risk management content, and to educate employees, warning peers.

(4) Forward. Crisis is not the same business failure, a crisis often breeds transfer. Enterprises should create heavy pressure on the crisis into a powerful force to drive continued to seek their technical, marketing, management and organizational system series innovation, and ultimately take-off and development of enterprises

The national economic system is integrated into the world economy closely enough to be involved in the global processes. The eroded macro-stability of international markets could not but impact internal developments in Ukraine. The world economic crisis has already caused a series of bankruptcies of the world's leading financial companies and financial crisis rollover to the real economy sector, drop in demand on global markets and, as a result, plummeting commodity prices and stagnation of leading economies.

Given the limited financial resources inside the country and shrinking access to foreign loans, enterprises face a difficult choice: either to suspend production and lose markets, maintaining high prices in expectation of better times, or to reduce prices trying to restore demand and keep consumers. The latter option is for those manufacturers who care about their future, expansion and economy of scale; the former is for profiteers who make large money quickly and drop the production. [1]

In such conditions the strategy planning and decision-making processes are becoming of utmost importance, especially for state-controlled export-oriented enterprises, taking into account the increasing role of export-oriented production in the country's economic growth. In early 2008, production growth in export-oriented sectors accelerated dramatically, and the financial resources of the national economy were re-distributed, in particular through the banking system, from other sectors into commodities and export-oriented ones. [2] Thus the issues of enhancement in aircraft construction management are determined to be the key issues stipulated by the state policy principles in the sphere of effectiveness and competitiveness recovery of the national aircraft construction enterprises. For these goals to be achieved, clear requirements combined with the branch management reforming criteria shall be developed. Moreover, in order to boost the effectiveness of resources use as well as property use, the issue of methodological support and regulations of the private and JSC property nationalization is to be settled by the government.

The intricacy of structure, large scales combined with lack of uniformity of state property, ambiguous results of its recent management show the necessity of profound improvements in aircraft construction enterprises management. The preserving of enterprise's ownership over the property that ensures its activity, forms an integral part of its infrastructure and is vital for achieving its strategic goals shall be regarded as the strategic goal.

The key directions for the reforming process shall be the following:

1. Development of the legal base in the sphere of ownership relations.
2. Development of the high-skilled management.
3. Increase in enterprises' capitalization.
4. Introduction of the cutting-edge corporate management models.
5. Establishment of the specialized branch groups and investment funds.
6. Enhancement of the scientific and expert background for strategic decision-making.

Generally, the concept of running a state owned aircraft construction enterprise as well as its strategy generating process and decision-making requires revision, especially at crisis. In order to boost the effectiveness of its activity that will allow the government to integrate the national aircraft construction industry into the global economy the following provisions shall be considered:

1. Global economic challenges require new management approaches and concepts.
2. The timing factor is of great importance. All decisions must be well-timed.
3. In the terms of global competition and economic crisis the enterprise shall be regarded not like a single unit, but like a pool of conflicting components. The cooperation as well as competition is possible within such pool.
4. Strategic planning requires not only hands-on experience but also analytical skills. Using such multiple methods as project management, strategic planning can be transformed into a dynamic process integrating the strategy and organization.
5. Methods and facilities that utilize brand new approaches play an important role in efficient strategy planning.
6. The process of strategy planning shall be given the effectiveness on the basis of leadership.
7. The strategy planning is only the means aimed at achieving the ultimate goal of competitive benefits.

The fact that company doesn't possess a clear strategy only shows that the company has no strategy at all, or at least is unable to bring it to life. Clarity in scope with simplicity reflects the consistence in employees' actions and improvement in enterprise's performance, especially at crisis.

The improvement of management at aircraft construction enterprises is determined as one of the key directions within the state policy of refining the effectiveness and competitiveness of the aircraft construction industry. In pursuance of the abovementioned goals the exact requirements and criteria of the whole branch reforming concept shall be worked out. Methodological provisions and regulations of the nationalization and allowance into the state possession of the property complexes of the private and joint stock companies are to be accepted at the state level in order to boost the effectiveness of the use of the property resources. The mechanisms of the state business activity, its relations with other owners shall be created. They will comprise: exactly determined rights, liabilities and the way of receiving its share by the state within the mutual investment agreements, payments within concession agreements, principles of profit allocation and utilization in the state-controlled enterprises.

With the objective of the theoretical and methodological backgrounds development of the transformation of management systems in state-controlled enterprises the following principles are to be taken into account:

1. efficacy - drawbacks shall be removed with confidence.
2. adequate complexity - complex processes require complex solutions.
3. diversity - diversity of forms shall correspond to diversity of situations.
4. adequate change - if the object changes, the means shall be changed too.
5. analogy - same objects require same reformation approaches.

In order to analyze the management system and implementation of the policy in the sphere of state-controlled aircraft construction enterprises managing an integrated approach is usually used. Within its frames the real policy comprises logically specified contracts gradually joining interests of the system parties.

In order to boost the effectiveness of the enterprise's activity the main priorities shall be given to strategy and organization. Most state-controlled aircraft construction enterprises con-

sider the strategy to be the principle factor over the organization. But in the light of the recent economic recess due to crisis such approach requires being modified. Many enterprises separate strategy-making from problem-solving with budgets being designed without taking into account the newly elaborated strategies, thus most decisions and innovations in this sphere influence strategy and determine its limitations. Here the regressive interrelations are observed.

Recent researches clearly show the drastic necessity of refusal from the intuitive approach and switching to coordinated decisions.

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STRUCTURAL MARKET REFORMS - THE MAIN DIRECTIONS OF FORMATION THE UKRAINE'S ECONOMIC STRATEGY AND TACTICS

Resume *The relevance of the particular article is caused by problem of crisis resolving in Ukraine and other countries. Author argues measures for crisis' resolving as a part of economic strategy, which are based on structural transformations in domestic economy system, directed to deepening of market reforms. Suggested approach considers revision of the interactions between economic entities as the way of resolution important economic problems – budget deficit, shadow economy, forming financial sector. Article includes statistic data, which illustrates government role in the economy, as one of the most important elements of current economic structure of Ukraine.*

Key words: VAT rate, government regulation, household's savings, economic structure, public expenses.

The aim of transition period in Ukraine was to transform administrative command economic system into market system management. Steps and measures, that were taken on this way, had unsystematic and tactic character. They didn't take into account the important feature of contemporary interpretation and meaning of market economy system - social aspect. Areas of economic transformation, which caused the biggest problems, were: privatization, taxation system forming, and assignment the government's role that is not typical for market economy. Those factors and lack of deep structural reforms caused forming in Ukraine the model of economic development, which is efficient under those prerequisites: inflows of foreign capital (mainly with speculative motives), low level of energy and labor resources' prices, availability of credit resources and high prices' level on export products. This model generated relatively stable economic growth during 2000 – 2008, but approved its inefficiency and short-term character in current crisis [2, 88].

Inefficient and uncompetitive economic model, which was formed, involves necessity of deep structural reforms on the way to social oriented market economy system.

In Ukraine, crisis resolving problem lies within the discussion of future effective national economic model and is widely analyzed by professionals of different field of studies. It was study subject for a large number of researchers among which are next V. Heyets, S. Lyovochkin, V. Phedosov, A. Krysovatuy, V. Oparin, A. Sokolovska, I. Lunina, M. Karlin, O. Paskhaver and others. Different of those analysts implied different meanings in this subject. But less attention was payed to the view of forming efficient economic system's structure, as one of the ways, which ceases progress of crisis in Ukraine. In this article I want to argue view at the economic crisis' solving problem, mainly as the problem of inefficient economic structure in Ukraine.

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