

СЕКЦІЯ 3. ЗМІЦНЕННЯ ІНСТИТУЦІЙНОЇ СПРОМОЖНОСТІ, БЕЗПЕКИ ТА РОЗВИТОК ЦИФРОВОЇ ЕКОНОМІКИ

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ASSESSMENT OF BUSINESS RISKS UNDER CONDITIONS OF WAR

Russia's war against Ukraine significantly changes the business environment and established logistics chains of enterprises, which leads to increased risks associated with business relocation and the need to reorient to new markets. In such conditions, it is very important to find flexible solutions to ensure the maximum preservation of existing capacities and resources, as well as the creation of new, promising areas of entrepreneurial activity.

In crisis situations, in particular during war, traditional approaches to the organization of production, promotion of products to markets and tools of competitive struggle become unsuitable and require significant transformations [1; 2]. Therefore, it is important to identify and systematize possible risks for entrepreneurship in war conditions, to develop new scenarios for their minimization.

The concept of "risk" is quite multifaceted. Its interpretation may differ depending on the level and in which field it is considered [3].

Most often, risk is interpreted as a threat, an unfavorable development of the situation, which can lead to certain losses.

At the same time, risk is characterized by uncertainty due to the impossibility of accurately predicting the future, which makes it difficult

to make effective management decisions. Uncertainty in entrepreneurship is understood as the lack of complete and reliable information about the conditions for implementing a business idea.

The negative impact of war on the business environment is manifested through the destruction of infrastructure, a drop in demand for goods and services, an increase in the cost of resources and other factors that reduce the profitability of enterprises. Most management decisions are made in conditions of uncertainty and economic risk, and in order to survive, enterprises need not to avoid risk, but to be able to correctly assess its level and directly manage it, in order to minimize the impact on the business.

Among the main risks of the operation of enterprises under war conditions, the following can be distinguished:

- The risk of a decrease in demand for the company's products or services as a result of a decrease in the level of income of the population, changes in the structure of demand, a decrease in the population, etc.

- The risk of deteriorating conditions for access to resources, in particular, rising prices for raw materials, materials and energy, as well as complications in delivery and logistics.

- The risk of losses due to a decrease in the quality of goods and services due to a decrease in the quality of technical and human resources.

- Risk of financial losses due to lack of funds for operations, increased costs for health and safety, restoration of destroyed infrastructure, etc.

- The risk of losses due to a decrease in the market value of assets and a decrease in the long-term development opportunities of the enterprise.

- The risk of legal instability, in particular changes in legislation, a decrease in the level of legal protection of enterprises and their rights to intellectual property ownership.

It is worth noting that the relationship between risk and profit gives reason to interpret it also as a chance to realize new opportunities and obtain additional profits, which will provide benefits in the future. This approach to the definition of risk reveals it as an immanent component of entrepreneurial activity.

In this context, risk management, as a process of responding to events and changes in the operating environment during entrepreneurial activity, is an important factor in the successful operation of the enterprise [4, с. 51-57].

It is not advisable to completely abandon the risk, it is only possible to minimize its negative impact by choosing an acceptable level, based on the ratio of expenses / possible profit. In order to determine the acceptable level of risk, it is necessary to consider the ratio of opportunities for obtaining benefits from the risk and probable losses from the realization of a risky situation. Qualitative risk analysis helps identify specific risks and their causes, as well as make a cost estimate of possible consequences. Qualitative analysis is followed by a quantitative risk assessment using various methods, such as sensitivity analysis, peer review, statistical method, critical value method, analogy method, scenario analysis, decision tree, and Monte Carlo risk simulation. Investment risks can be measured by various methods, for example, the method of sensitivity analysis, which allows you to find out how sensitive the project is to changes in certain factors. Different methods, such as simulation modeling, statistical and expert analysis, allow to identify and measure risk [5, с. 26-29].

In general, the business notes a high level of uncertainty, which is formed due to challenges such as rising prices, shortages of fuel and vehicles, which mostly occur during periods of military operations. Additional difficulties for enterprises engaged in foreign economic activities include restrictions on their traditional export routes. In times of war, business is motivated not only by issues of self-preservation, but also by more global tasks – to provide jobs and help our defenders [6].

According to estimates of the financial and economic situation, almost half of business representatives – 47.4% – characterize the current situation at the enterprise as bad, 44.4 % of respondents consider it satisfactory, while only 8.2 % of respondents evaluate it positively [7]. Such results can be explained by the fact that almost no enterprise could avoid the negative impact of military, social and economic factors that can reduce the financial and economic condition of enterprises.

Therefore, during crisis situations and under conditions of war, enterprises are faced with significant risks that can significantly undermine their financial stability and affect further activities. However, despite these difficulties, in the conditions of war, the objective assessment of risks and the development of possible options for their minimization can be

extremely important for ensuring the economic stability of an enterprise in a conflict zone.

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