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FORMATION OF A SYSTEM OF ANTI-CRISIS ENTREPRENEURSHIP OF SERVICES COMPANIES

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ABSTRACT

We developed the matrix of the choice of the strategy of diversification of the enterprise activities, taking into account the stage of its life cycle and the level of development of the anti-crisis entrepreneurship system, which enables to make adequate decisions regarding the strategic areas of the enterprise activities. Within the framework of the matrix developed it is possible to consider the problem of influence of the stage of the life cycle and the level of development of the anti-crisis entrepreneurship system on the area of enterprise development, subject to diversification of activities. This gives us the opportunity to formulate a strategy and to choose priority areas of development that ensure its implementation and improve the strategy of development as a result of changing the efficiency of individual parameters of the enterprise operation.

Keywords: Diversification, Anti-Crisis, Entrepreneurship System, Life Cycle, Management Tools, Economic Effect.

JEL Classifications: I2, F6

INTRODUCTION

The need for the formation and implementation of an effective anti-crisis management system is a key issue for entrepreneurship, in this connection special attention is paid to the implementation of general principles and methods of management in crisis situations, improvement of personnel management for restoration of the solvency of enterprises, as well as carrying out measures to ensure the stable functioning of those business entities who seek to strengthen their position in a changing market environment.

The competitive struggle in the market of hotel services caused by the search for new and attracting occupied segments of the market leads to the use of actions aimed at attraction of the attention of a potential client and retention of the attracted client or taking it away from competitors.

REVIEW OF PREVIOUS STUDIES

There is currently no consensus among academics and practitioners on how effective strategies for managing enterprises should be developed in order to ensure the competitiveness of enterprises.

The rationale for choosing an anti-crisis strategy for enterprise diversification and its development is a complex process that involves taking into account the multitude of interrelated, multi-directional external and internal factors (Topuz, 2016). However, an even more complicated process is the implementation of an anti-crisis strategy for diversification of the company's activities, which involves the interaction of various methods, tools and management technologies, while ensuring coordination, coherence of management functions, and minimization of enterprise losses (Inna et al., 2018).

The diversification of activities serves as an instrument that by distributing capital among its diverse types allows an enterprise to avoid losses from failures in certain strategic segments by benefiting from others (Walecka, 2016). In addition, it can be considered not only as a means of crisis management, but also as a source of potential growth of the enterprise, when all opportunities for growth with this product or in this market are exhausted and there is a need to create new products in demand and enter more attractive markets (Tetiana et al., 2018).

METHODS

The effectiveness of the anti-crisis strategy for diversifying the company's activities depends on a set of tools used to achieve the strategic goals set (Gurtner, 2016; Pnevmatikoudi & Stavrinoudis, 2016). The need and the possibility of use of modern tools at enterprises of different types of activities and organizational forms is conditioned by the emergence of new technologies of crisis management at all levels of the economy, as well as the development of information support and computerization processes.

In this regard, the situational-matrix approach is fundamental for building crisis management strategies. Since the problem of modeling and forecasting represents a strong theoretical and practical interest, and the techniques that are used in this area need significant improvements, there is a need of its more detailed analysis. The decisive role in solving these problems is played by the using of situational-matrix modeling in the field of crisis management, whereby it is possible to analyze the effectiveness of management decisions made, monitor the effectiveness of management, predict financial results and identify reserves for improving financial management.

At present, instruments for implementation the strategy of crisis management go beyond the traditional ideas (Gajda & Zaplatynskyi, 2017; Gwoździewicz & Prokopowicz, 2017). Managers increasingly oriented on progressive management practices, focusing on managerial tools that allow to improve the quality of strategic management decisions. Such tools are business planning, leasing, franchising, budgeting, strategic and road maps, innovative sales patterns, and controlling. The urgency of the application of these management tools is due, first of all, to change the goals and objectives, which financial managers are facing.

The study also uses the theory of the life cycle of the enterprise, it is based on the fundamental law that all organizations, like living organisms, go through similar stages of the life cycle and demonstrate predictable and repetitive behaviors. At each new stage of development, each organization faces a unique set of challenges and difficulties. The success of an

organization is determined by the ability of managers to manage the transition from one stage to another.

RESULTS AND DISCUSSIONS

The global nature of the instability of the economy at the present stage, and threats and opportunities it generates require changing the nature of crisis management and the tools for designing and implementation of its strategy. In today's practice of crisis management, the priority is often given to mechanisms and tools for immediate response, which eliminate and mitigate the negative effects of the crisis, but do not create conditions for development.

The features of crisis processes require the use of new tools for the development and implementation of a crisis management strategy that can prevent and mitigate not only the negative effects of the crisis, but also use its capabilities to operate the enterprise after the crisis. Based on the fact that economic crises should be considered as a general pattern inherent in a market economy, any management should be anti-crisis one, that is, it should contain appropriate tools for planning, analyzing, forecasting and controlling in crisis situations.

The work on the diversification of the hotel business, which promotes the diversity of the sphere of investment of capital within the framework of hotel business, should be constantly performed. Due to the diversification of activities, hotel enterprises can increase the use of available resources and obtain an additional source of profit.

The vertical (concentric) diversification of the hotel business involves the expansion of the hotel business through differentiation within the type of services on which the company specializes (the offer of services to customers that are related to the main ones).

The horizontal diversification consists in organization of such activities, which are not directly related to the current specialization of the hotel company (opening new hotels, areas of activity, development of new types of hotel services).

The conglomerate diversification involves opening new types of activities. For example, a hotel company creates its travel agency, builds a restaurant, opens its airline. In world practice, conglomerate diversification occurs frequently, but it is only possible when achieving a certain amount of capital and turnover of the enterprise.

Along with the functional characteristics of the additional services that are provided to the clients of the hotel, they are also divided into paid and free ones. All kinds of additional services require certain labour, material and financial resources, that is, they have a certain cost. However, the costs of organization of individual services are compensated by a corresponding increase in customer turnover, and hence additional revenues from hotel activity. These services can be provided free of charge. In addition, the cost of individual services may be included in the price of accommodation in the hotel, creating a visibility of their free provision to customers.

This practice may be limited, as the increase in hotel accommodation prices without improving the quality of services significantly weakens the competitive position of the hotel company in the market. Cost-benefit services should be provided to consumers exclusively on a paid basis in order to create additional hotel company income.

Interest in diversification for a hotel company is associated with the possibility of obtaining a synergistic effect. The synergy in this case is the economic effect of combination of complementary types of commercial activity or managerial capabilities.

In order that the effect from the synergism to be sufficient, the careful selection of new services or market segments is required. As a result, the hotel company will obtain flexibility in

choosing a competitive position, and opportunity to win a larger market share due to lower prices or a higher level of service on the offered services.

The types of activities selected for diversification should be potentially attractive in terms of their structure. The enterprises often ignore the criterion of attractiveness because of too high entry barriers. They choose the type of activity that is "best suited" for their business, but they face an unprofitable structure of activity. As long as the best matching of the structure does not provide a competitive advantage, the diversification of the hotel business will not generate significant profits.

It is important for the enterprise to define strategic priority directions of development on the basis of diversification of activities. For this purpose, it is proposed to use a matrix that will allow us to determine the strategy of diversifying the company's activities taking into account the stage of its life cycle and the level of development of the anti-crisis management system (Table 1). The axis of abscissa in the matrix is the level of development of the anti-crisis management system of the enterprise, the axis of the ordinate-the stage of the life cycle of the enterprise.

Stage of the enterprise's life cycle	Decline	Liquidation or takeover of the enterprise	Vertical diversification	Vertical diversification	Horizontal diversification
	Maturity	Horizontal diversification	Vertical diversification	Conglomerate diversification	Cross or mixed diversification
	Growth	Horizontal diversification	Vertical diversification	Cross diversification	Cross diversification
	Formation	It is not recommended to use a diversification strategy			
		Critical	Crisis	Pre-crisis	Resistant
	The level of development of the anti-crisis management system of the enterprise				

According to the proposed matrix, 6 strategies were formed for the diversification of hotel companies' activities: vertical diversification (payment for services using advanced methods of payment, web-tour of the hotel, absence of a specific time of check-in and check-out of the hotel, taxi call, etc.), horizontal (organization of currency exchange points, reference points, children's room, etc.), conglomerate (activity in the field of health, real estate, beauty industry, consumer services, retail trade, tourism business, financial services, cultural leisure, entertainment, transport services), cross (combination of horizontal and vertical diversification), mixed (combination of horizontal, vertical, and conglomerate diversification). The content of diversification strategies will vary depending on the company's ability to realize its potential, taking into account the stage of the life cycle and the level of development of the anti-crisis management system.

The matrix developed enables us, based on the stage of the life cycle of the enterprise and the level of anti-crisis management, to choose the appropriate type of diversification of the company's activities and to form a rational anti-crisis program.

The selection and implementation of the anti-crisis strategy of diversification of activities by enterprises taking into account the life cycle stage, level of development of the anti-crisis management system and the potential of diversification will allow to reduce the likelihood of crisis situations, reduce the size of possible losses resulting from the development of the crisis

situation, increase and intensify the strategic potential of counteraction to crisis phenomena, strengthen the adaptive capacity of enterprises and strengthen their competitive positions.

The practice of anti-crisis management shows that the crisis may have a latent character and its origins can begin to emerge both in the internal and external environment of the enterprise (Nakashydzė & Gil'orme, 2015). Therefore, an important tool of strategic crisis management is the preventive diagnosis of the crisis situation of the enterprise, which allows to timely identify possible and existing problems, factors of the crisis, trends in its development, assess the strengths and weaknesses, opportunities and threats in the enterprise, level of its financial potential and, therefore, is the basis for the development, adjustment and implementation of the anti-crisis strategy.

The purpose of preventive diagnostics of the crisis situation in the anti-crisis strategic management of the enterprise is to warn in a timely manner about the development of the normal course of implementation of the anti-crisis strategy into the threat of disruption of strategic plans due to the emergence of problems that can lead to a deepening of the crisis (Tetiana et al., 2018a). In addition, preventive diagnostics of the crisis state of the enterprise should timely target management personnel onto elimination of crisis situations.

The correspondence of the results achieved with the goals and objectives of the anti-crisis strategy of diversification of the enterprise activities is an assessment of the effectiveness of the selected anti-crisis strategy.

The effectiveness of the implementation of the anti-crisis strategy of diversification of activities is estimated by the following results: the financial instability of the enterprise was overcome, as a result of which its solvency was restored (all claims of creditors were repaid and the company's ability to generate net cash flows was restored); the growth of the market value of the enterprise-the threshold of its crisis-stability is restored and efficiency of its business operation is increased.

However, the effective implementation of the anti-crisis strategy for diversification of the hotel business is impossible without assessing the level of satisfaction of consumers with the services received.

CONCLUSIONS

The timely and systematic performance of the functions assigned to each of the subjects of crisis management, provides optimal conditions for their implementation and facilitates the transformation of diversification from the anti-crisis management tool into a tool for provision of strategic anti-crisis management. It was established that the rationale for choosing an anti-crisis strategy for diversification of the enterprise activities and its development involves the consideration of interdependent, multi-directional external and internal factors and the stage of the enterprise's life cycle.

The proposed scientific approach of choice of the strategy of diversification of the enterprise activities, taking into account the stage of its life cycle and the level of development of the anti-crisis management system, which enables to make adequate decisions regarding the strategic areas of the enterprise activities.

The proposed matrix will help to postpone the onset of the decline stage or accelerate the exit from the crisis, as well as to qualitatively manage the enterprise's activities and be prepared for unexpected changes in the changing internal and external market environment.

The selection and implementation of the anti-crisis strategy of diversification of activities by enterprises taking into account the life cycle stage, level of development of the anti-crisis

management system and the potential of diversification will allow to reduce the likelihood of crisis situations, reduce the size of possible losses resulting from the development of the crisis situation, increase and intensify the strategic potential of counteraction to crisis phenomena, strengthen the adaptive capacity of enterprises and strengthen their competitive positions.

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