

BASIC APPROACHES TO RISK ASSESSMENT OF THE BUSINESS PLAN FOR THE SUSTAINABLE DEVELOPMENT

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Introduction. When developing plans and programs for sustainable development, business plan is often not used or used incompletely. In accordance with the theory and practice of project management, the business plan should contain sections corresponding to the areas of knowledge in project management, in particular the main areas include the four: content, timing, cost, quality - which are used to assess the project status (Mashina, 2017).

Despite such a wide range of tasks that are solved in the process of business planning for sustainable development tasks, in domestic practice this term is often reduced to the procedures for writing standard sections of a business plan and/or financial and economic justification of a project.

The structure of the document may vary but it should clearly and fully describe the project objectives, and the conditions for achieving them, linking many indicators, criteria, objective and subjective factors, as well as mechanisms for responding to changing conditions of the external and internal environment into a single system. In this regard, the task of using business planning for sustainable development not only as a search and project research tool for investment analysis, but also as a tool for managing the course of project implementation becomes an urgent problem of project management.

Presentation of the main research. Business planning is an effective management tool widely used in modern economic practice, regardless of the scale, scope and form of ownership of individual enterprises and organisations. A business plan is a working tool for both newly established and existing companies and is a brief, accessible and understandable description of the business, while being the most important mechanism for considering a wide range of potentially possible situations.

Business planning allows you to identify promising project solutions, identify and calculate the funds to achieve them. In this regard, the role of the business planning process in project management is growing, as the development of a business plan is one of the most important and popular stages of the life cycle of any investment project.

In project management, a business plan can be viewed as a comprehensive project management tool that helps an enterprise solve its development problems (Klymenko et al., 2017), in particular in order to: developing financial and feasibility studies for projects and programmes; summarising and reassessing current operations; development of the company's investment strategy; innovative development of the enterprise; risk assessments; public relations and coverage of the results and plans of the enterprise, as well as the activities of partners and competitors in value chains.

The target diversity of business planning allows us to consider this process not only in the context of attracting certain investments in a project, but also as one of the key management tools for sustainable development. This can be used to implement projects and programs of production, development, mergers with other companies, in solving problems of increasing the efficiency of the company's activities, reducing decision-making cycles and relevant bureaucratic procedures, etc.

In this regard, it is advisable to consider a business plan not as a single document, the structure of which is unchanged, but as a toolkit that can change depending on the current tasks and problems of a company or project, and changes in the conditions for their implementation.

The problem of identifying, assessing and neutralising the risks of the planned activities is becoming especially important in the current unstable economic and financial situation in the global and domestic markets and should be addressed at all stages of the project life cycle - both at the stage of identifying and assessing potential risks during the preparation of the Risks and Guarantees section of the business plan and at the stage of project implementation during monitoring and control functions.

In general, the project risk management system includes (Starostina, 2019):

1) risk identification, which involves identifying various types of potential project risks and classifying them according to selected criteria;

2) quantitative and qualitative risk assessment, which includes the selection of risk quantification methods and the correct interpretation of the assessment results, as well as determining the impact of a particular risk on the project efficiency and implementation of the company's overall business strategy;

3) systematic monitoring, expert assessment and risk control within the framework of strategic and operational management of project implementation in order to limit risky decisions and neutralise their consequences.

It should be noted that risk identification is not a one-time procedure and should be repeated regularly as the situation changes during project monitoring.

In order to make the risk identification process systematic, special forms of documents are used that reflect the sources of risks, the project environment, the characteristics of the project's output products, the technologies used, and the experience of the project team.

In modern risk management practice, the following risk identification methods are used (Vitlinskyi, 2016):

- comparison with the full list of risk categories, including: cultural risks; risks related to the quality of project work; risks related to project stakeholder satisfaction, contractual risks, etc;

- analysing the risks of previous projects by examining records related to previous projects;

- use of the brainstorming technique, which aims to identify as many possible risks as possible in the shortest possible time.

The result of the risk identification stage is a list of risk sources and potential risk events, which are included in the Risks and Assurances section of the project business plan.

An important stage of risk management is the quantitative assessment and analysis of risks, which is a procedure for identifying risk factors and assessing their significance and analysing the likelihood that certain undesirable events will occur and adversely affect the achievement of project objectives.

At this stage, it is important to distinguish between qualitative and quantitative risk assessment. Qualitative assessment can be relatively simple its main task is to identify possible types of risks, as well as factors that affect the level of risks in a particular type of activity. Quantitative risk assessment is determined by the probability that the result obtained will be less than the required value (planned or forecasted), as well as by multiplying the expected loss by the probability that this loss will occur.

In the course of monitoring the business plan, the project is subject to control and regulation procedures, which in general represent a classic feedback management scheme. The technology for monitoring the cost and time of work involves creating a plan for the frequency of collecting information on the project's work and using a number of modern methods for determining the amount of work performed, such as the percentage of work performed method, the fixed formula method, the method of weighted milestones, control points and diagrams, etc.

The global practice of project management convincingly shows that the main method of controlling the efficiency and risks of project implementation is currently the EVM (Earned Value Management) method, which is based on the use of a number of numerical indices calculated during the phased implementation of the project. This method can be successfully used not only as part of the methodology for financial management of individual projects, but also in the course of general controlling of large project-oriented organisations. However, in domestic practice, the use of this method is complicated because among project managers it is generally accepted that the mastered volume method is very complex and highly mathematical.

In our opinion, the unpopularity among managers of this quite effective and rather simple analytical tool for project management is associated with insufficient training and low qualification of specialists in the field of project analysis, and the lack of training programmes for risk managers and project managers in many universities. In this regard, currently in the domestic practice of project management, quite simple visualisation tools, such as the percentage of work completed and a control point chart, are used to monitor the project status in the vast majority of cases.

However, in this case, the monitoring algorithm is tied not so much to the hierarchical structure of work (HSW) as to the criteria for the supply of equipment and materials, and the production of the project product. Recently, a more complex monitoring option has been used in modern practice – a traffic light diagram, when at a certain date of project control, it is recorded which ISR activities, in accordance with the basic business plan, should be completed, which should be in progress, and which may not even be started.

The next step is to record the actual performance of these activities (“completed”, “in progress”, “not started”), and the project manager gives a subjective assessment of the status of each activity (“all is well - green signal”, “keep under control - yellow signal”, “intervene immediately - red signal”).

These tools are easy to use, but can only be used in cases where the IMS is simple or the project does not involve strict control over the use of time and financial resources, which is very rare in practice. Compared to the tools described above, the completed scope method is a serious analytical methodology that allows assessing the performance of project work in three main areas: content, timing, and cost. An auxiliary tool for monitoring the project status is the Gantt chart.

The ideology of EVA (the Exploited Value Analysis) is based on the calculation and comparison of three project cost characteristics at a certain control date:

- planned volume (planned value of planned work - Planned Value, PV) - the budgeted value of the work that, according to the business plan, should be performed as a result of an operation or an IMR element by a certain deadline;
- volume completed (planned value of work performed - Earned Value, EV) is the amount of work specified in the budget that was actually performed as a result of a planned operation or IMR element over a certain period of time;
- Actual Cost (AC) - the total cost of performing work as a result of a planned operation or ISR element over a certain period of time (Shepilova, Kiriyenko, 2019).

The information support of this method also includes the use of accounting and management accounting data to determine the planned

project budget (BAC - Budget at Completion) and build a cumulative planned project cost schedule (S - curve), which shows the dependence of planned total project costs on time.

At the same time, the principles of the mastered volume method can be applied to any project and in any industry. It is well known that the degree of volatility of a process is an important risk assessment indicator. Therefore, in addition to its traditional use in determining whether a project is within the planned budget and whether it will be completed on time, the completed volume method should be actively implemented in the practice of project risk management and become an effective tool for monitoring business planning.

Conclusions. Monitoring a project's business plan is an extremely difficult task, as in real life, risky situations often arise that impede the implementation of plans, such as untimely deliveries of equipment and materials, unforeseen delays in work for various objective and subjective reasons, delays in the timing of various necessary approvals, etc. The analysis of the above indicators allows the project manager and the project team to monitor the volatility of the project, i.e. the deviation of the volume and cost of work actually performed to this point in time from the volume and cost that were planned.

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