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## Investment Process in Management

For increasing the competitive ability, stability, effectiveness of company it should fulfil improvement changes according to changeable business-environment. Most of the changes are occurring as investment projects.

In general management system investment project can take up different places in compliance with project character and scale of changes, area of activity, budget and other characteristics. It may belong to strategy management level, tactical management or executive management. By the area of activity, it may be market projects, production projects, personal development projects, operational improvement projects and many others.

Investment process should not contradict with adjacent processes of the company.

Investment project — is a temporal measure, directed to unique product, service or result creation.

Following algorithm of project realization may be proposed for practical activity.

Investment process is subdivided into four main stages and has the following structure:

- 1) initiation and planning;
- 2) development and approval of project business plan;
- 3) execution/realization of intentions;
- 4) closing and tracking of the effect on the project.

Each stage has a range of control points — milestones and responsible people.

*Stage I "Initiation and planning"*. The phase of investment process start occurs if there is the investment idea and includes 5 control points:

- 1) creating and sending the initiative to responsible department;
- 2) estimation of information sufficiency and completeness;
- 3) first check project effectiveness calculation (based on indicators — NPV, IRR, DPP, PI, sensitivity analysis of the project);
- 4) comprehensive audit of the projects, decision is made on reasonability of further development of business plans;
- 5) approval of the schedule of business plans development for the investment projects.

*Stage II "Business plan"*. In terms of the stage "Business plan" a project manager is appointed. The core staff and plan of actions of the project teams are set by the project manager.

This stage includes:

- 1) development of process description, check of availability of raw material resources etc.;
- 2) development of Technical Assignment for the supply of main equipment;
- 3) development of Technical Assignment for basic engineering fulfillment;
- 4) assessment of technical parts of the equipment;
- 5) assessment of civil and installation work value;
- 6) calculations and estimation of the projects economic efficiency, project sensibility and risk analysis;
- 7) calculation of annual effect as well as operational costs under the project;
- 8) working out the project funding and implementation schedule.

*Stage III "Object/purpose fulfillment" includes:*

- 1) approval and making agreements regarding design and engineering equipment purchasing;
- 2) tracking and control of equipment manufacture and supply schedule, operating financial plan formation;
- 3) monitoring of relevancy of the project implementation;
- 4) accomplishment of project design work;
- 5) accomplishment of civil and installation work, contractors` management, scope and work quality acceptance, collection of as-built documentation, signing of work completion certificates, commissioning work;
- 6) launching the operational process;
- 7) attainment of project capacity subject to target values and project objectives;
- 8) putting in operation, object transfer to project user.

*Stage IV "Completion and tracing of project effect'.*

This stage includes:

- 1) analysis of project goals achievement;
- 2) factor analysis of investment project implementation effect and analysis of the causes of deviation from target result;
- 3) analysis of received experience;
- 4) monitoring and confirmation of investment project results in the process of post-project control.

So the investment process is a combination of actions on investment resources accumulation and usage, improvement of production, quality, development the new types of products, etc. with the purpose of company`s commercial cost growth and competitiveness increase at the world market.