

Tatiana V. Bilonog

Taras Shevchenko National University of Kyiv

Systems approach as a tool for effective management of investment projects

Development of market relations in Ukraine is characterized by instability of the economic system, which leads to the crisis, raising the risk and as a result a significant reduction in the sustainability of enterprises. In these conditions the value of investment projects of the industrial enterprise.

The transition to modern efficient management of investment projects is an urgent requirement. A fairly well-known effective method is software-oriented management. The program can be used not only as a tool of the current management and gain control, but also as a means of making the overall investment strategy of the enterprise, rational maneuver resources to assess their use, minimize business risk.

Features of becoming competitive systems of investment management companies in the current environment and determine the urgency of high feasibility study, design and implementation of target-oriented methodology for solving the strategic management of modern industry, as an example which in our case, we consider breweries in Ukraine.

Conceptual approaches to the management of investment projects in industrial plants are in the works, both domestic and foreign authors. In the study of foreign economic literature devoted to the works of this direction R. Archibald, F. Begyume, K. Gray, E. Larson, M. Newell, R. Hirshleyfer etc. They reflect comprehensive studies of the theory and practice of project management in the enterprises, the issues formation of an effective mechanism for financial and economic activity of market relations and create the necessary conditions for their implementation in the workplace. The different approaches to the management of investment projects are also set out in the writings of Russian scientists: I.A. Blanca, V. Voropayev, V.G.

Zolotogorova, I.I. Mazur, A.M. Nemchina, N.G. Olderogge, M.D. Chervaneva, V.D. Shapiro, V. Sheremet, etc. Despite the theoretical and methodological developments in the field of investment projects in enterprises, they do not adequately address the study of methodological approaches and the development of methodological tools for solving this problem, as well as the adaptation of foreign practice of performance-based management.

The purpose of this paper is to analyze the possibility of system approach in the management of investment projects on the example of breweries in Ukraine.

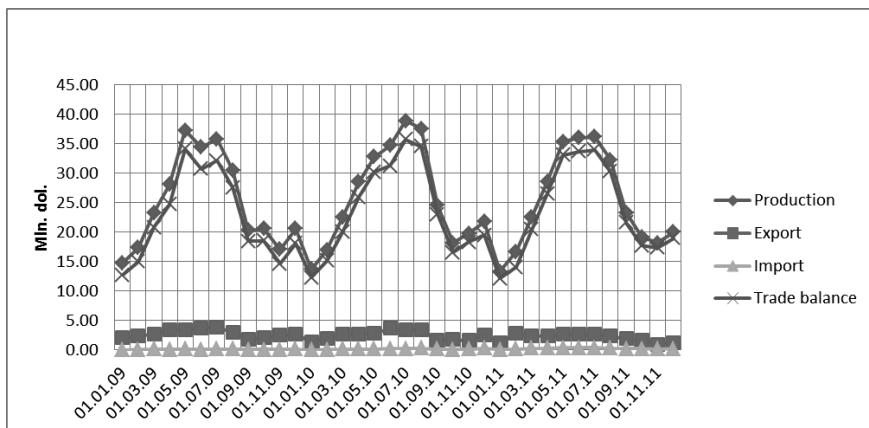
Strategy for economic growth and the integration of Ukraine into the global economy provides for the competitive level of the enterprises of all economic sectors, especially industry.

One of the leading industries of Ukraine in terms of consumption and export of finished products is the food industry. The brewing industry is the fifth largest in the industrial structure of the country. Enterprise Ukrainian beer industry is characterized by the stable level of work, compared to other food manufacturers, and the most stable financial position. Each year, hundreds of breweries implement various investment projects. That is why the data used for analysis of the industry.

As of 2012 the Ukrainian beer market has more than 50 companies, but 97.5% of the total production is shared between the four breweries holding - three corporations with foreign capital: AB InBev, Carlsberg, SAB Miller, and domestic corporation – “Obolon”.

In the last 5 years, the dynamic Ukrainian beer market was quite volatile. After a significant decline due to the crisis in 2008-2009, the market began to recover in 2010, first showed growth - 3.6%. And in 2011 due to adverse weather conditions and commodity prices fall again occurred on 1.7% of the market. According to our estimates, based on the official statistics, the figures can imagine this situation in the following way. In 2011, beer production fell by 3% to 302 million, beer exports fell by 16% to \$ 25 million, while imports increased by 37% to 3.2 million. Thus, according to the trade balance (production + imports - exports), you can see that in 2011, the beer market declined by 1% to 280 million. Dynamics of production, export, import and trade balance for 2009 - 2011, is shown in Fig. 1.

Fig. 1. Dynamics of the trade balance Ukrainian beer market 2009 - 2011 year, millions of dollars [8]



Investment activity in Ukraine beer industry is balanced in composition and meets the conditions of the industry. It has an internal and external synchronization in time. Internal focus on the harmonization of certain areas of investment among themselves, and will harmonize foreign investment development strategy with the overall strategy of the enterprise and the changes in the environment.

Analysis of investment projects brewing industry revealed active companies in the field of investment. There are some that are common to all businesses of the beer market, the introduction of modern trends and the implementation of investment projects:

- expansion and modernization of production,
- reduction of energy consumption of beer,
- decrease in the average cost of water to produce 1 liter of beer,
- environmental protection,
- responsible consumption of beer.

At breweries annually performing a large number of investment projects and the overall budget is growing. However, there are many problems in the management of investment projects. Analysis of the problems and the methods and approaches to neutralize them are presented below.

To ensure the effective management of investment projects brewing company, in our opinion, you should use a systematic approach.

The first step in implementing a systematic approach to the management of investment projects is the formation of the register of investment projects. Need to make a single list of all investment projects running in the company and to develop a classification system projects.

For example, in a portfolio Carlsberg Corporation has more than 500 projects of different scale and importance to the company. The classification system is designed to perfect the management approaches used to manage projects of varying importance.

In the classification of projects, the most important two features: purpose and direction of investment. Division for the intended purpose will divide projects into commercial and non-commercial, and in the direction of investment in strategic projects, facilities maintenance projects, environmental projects, social projects and IT projects.

In addition, you need to assign the status of each project, which reflects its status: potential, planned, current, suspended and closed. This will enable easy enough to get a list of projects at some stage of the investment project.

List of investment projects in a structured manner is an effective management tool, if it contains relevant information (such as the current status of the projects). Investment department of the company to establish a process of updating the roster of projects, and a weekly roster to make relevant information.

In addition, the investment process corporations directly involved over 100 employees from different departments. The large number of participants leads to delay and complicate the process, blurring responsibility for obtaining the results of the project. This lead to delays in project implementation and the inability to learn the investment budget of the enterprise in time.

To improve management must clearly describe the duties and powers of members of investment projects. However to describe them for 100 employees – a long and costly exercise. Therefore, you must first identify and

describe the role of the project participants, which is smaller than the staff involved in the project.

For example, in the role of "Investment Project Manager" in the company can serve up to 10 employees, and as a "project manager" - up to 20. For each of the roles necessary to develop guidelines, which specify the powers and duties of acting in the project in the role. In the process of drafting regulations to exclude conflicting roles and the need to include new ones. This greatly speeds up the implementation of projects.

Another problem, which was previously encountered in the implementation of investment projects, is that the project manager did not always inform the management about problems. The problems became known only when they become critical and correct them is almost impossible.

To solve this problem by defining the roles of the project as a basis to adopt the principle of "four eyes", as used by many international companies. At the stage of initiation and planning responsibility for it is an investment manager. Once the project plan is approved, it is engaged in the implementation of the manager who gives the results of the project investment manager. The Investment Manager is responsible for the closure of the project and reporting on its results.

Thus, over the next two project managers belonging to different units that monitor each other. In case of problems in project management information quickly heard that you can quickly take corrective action.

Investment manager and the project manager responsible for the planning and execution of the project. However, over the course of the project may be significant changes, so corrective actions may be necessary at any stage of the project. To this end the monitoring of investment projects.

Monitoring is effective coordinating system of forming interconnection between the objects condition estimation informative base forming and corresponding administrative decisions acceptance, but doesn't limited just to the supervision on the state of a certain object.

Most scientists consider monitoring as component of controlling investment projects, but, to our opinion it is separate element of management system. It can be explained even by the difference of such measures

entities. Monitoring provides observation and oversight of the investing process, the size of deviations from the plan and their causes. On the other hand controlling – is effective use of invested capital, timely detection of deviations and making management decisions on their elimination.

The purpose of effective monitoring is registration of all works implementation and reporting on those actions that were done (though were not pre-arranged) and may have consequences for an enterprise. In addition it is necessary to specify those actions that were not executed in the set terms.

The monitoring procedure should be as certain communication system, which would complement connections between all interested in project sides. Also this system must provide information about previous periods and, as main purpose, it must focus on future development.

Investment project monitoring execution in all directions assumes:

- investment property regular surveillance,
- investment project status diagnostic,
- investment portfolio status supervision,
- recommendation development for solving discovered during monitoring problems and defined investment parameters deviations etc.

Therefore, the main investment project monitoring directions are market, technology, resources, legislation, competition and general tendencies. This list could be continued and expanded according to the project specific, but mentioned directions are basic and general.

In our opinion, the main results of these actions are timely detection of deviations, which influence on investment activity effectiveness, and possibility of amendments during the process of investment project execution and operation.

Investment project monitoring system could be divided on the following stages:

1. Building of reporting indicators information system for every single monitoring object.
2. Definition of expected standards in the indicator's system.
3. Current results operational analysis.
4. Comparison of current results with planed figures.

5. Detection of the main reasons of current results deviation from the planned figures.
6. Definition of investment project strengths, weaknesses and potential.
7. Report compilation according to the comparison results.

Each of these stages results from the previous, that is why they should be executed in strict order and clearly.

Therefore, investment project monitoring in substance is the informational system, in process is conditions creation for making managerial decisions, in effectiveness is technology for investment project realization status estimation, his regulation and his future changes forecasting.

Monitoring is one of the key elements of the management of the investment project, which provides information about the effectiveness of the project and the deviation from the plan, which allows time to make the necessary changes.

Market economy is being characterized by fast changing needs, operating conditions and by other factors. That is why investment project successful realization demands the constant information supply and control. That is what monitoring provides, increasing project effectiveness. For these reasons it could be defined as the main element of investment project management.

Thus, the article proposed the basic elements of the investment project management industry through a systematic approach. This technique allows us to solve a number of problems and to improve the efficiency of investment projects of industrial enterprises.

The above elements of the investment project management industry is a kind of theoretical and methodological tools for the further study of characteristics, problems and future directions of development of the system of management of investment projects at the micro level.

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Summary

Key words: *systems approach, investment project, industrial enterprise, corporation, monitoring*

The article grounds necessity of applying the system approach at the management of investment projects of industrial enterprises. Development process of investment management of the enterprise is solved.

Podejście systemowe jako narzędzie efektywnego zarządzania projektami inwestycyjnymi

Streszczenie

Słowa kluczowe: *podejście systemowe, projekt inwestycyjny, przedsiębiorstwo przemysłowe, korporacja, monitoring*

Artykuł wskazuje na konieczność zastosowania podejścia systemowego w zarządzaniu projektami inwestycyjnymi przedsiębiorstw przemysłowych i rozwiązuje problem rozwoju zarządzania projektami inwestycyjnymi w przedsiębiorstwie.