

METHODICAL BASES OF THE MANAGEMENT ORGANIZATION WITH INNOVATION RISK ON THE ENTERPRISE

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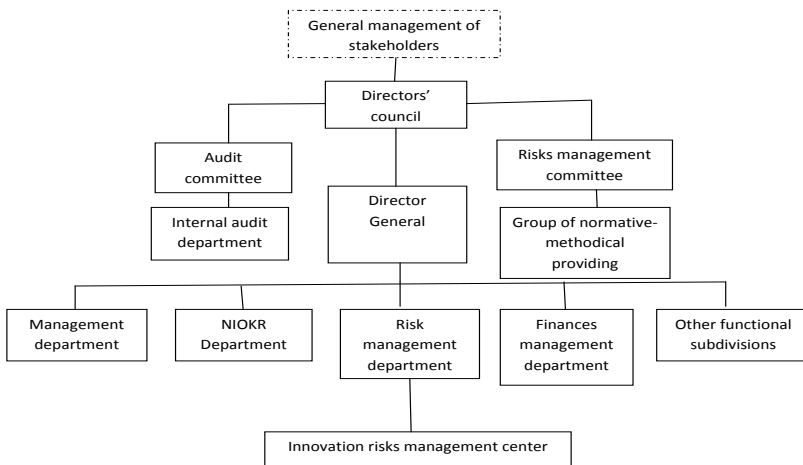
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The risk, particularly IR management, must be implemented on the all levels of the company management hierarchic structure. The main participants of IR management on the industrial enterprise are (Pic. 1):

- Directors' council;
- Risks management committee;
- Audit committee;
- Department of internal audit;
- General director;
- Department of risk management;
- Center of innovation risk management.



Pic. 1. Organizational structure of the enterprise and innovation risk management process participants

For the effective work of IR management system it is necessary to find out the role of each participant of that process.

The Directors' council is the main management body of the company at whole, and of the risk management system, particularly. It is responsible for the adequate effectiveness of the work of management system in front of stakeholders:

1. To find out the general corporative purposes of risk management, tolerance toward the risk, the strategy of risk management and main decisions on the risk management;

2. To understand the structure of the enterprise's main risks and the current situation in risk management on the enterprise, take decisions, providing the effective risk control;

3. To confirm the standards, methodology and the analysis and risk management procedure, the mechanism of managerial decisions working out;

4. To confirm the arrangements about risk management, to control and correct the risk management decisions;

5. To confirm the reports about risk management by the main activity directions/projects;

6. To confirm the audit reports by the risk management control and estimation provided by the Department of internal audit;

7. To confirm the risks management system development plan on the enterprise;

8. To provide and control the process of risk management corporate culture upbringing;

9. To confirm the annual report about the work of risk management system and to provide it to the stakeholders' meeting;

10. To be responsible for other important issues of risk management system.

In order to coordinate and standardize the risk management process on the enterprise the Risk management committee is to be created at the Directors' council. The chairman of such kind of committee must be the chairman of the Directors' council (or a vice person appointed by him). Beside him in such Committee the directors acquainted with the main business-processes of the enterprise must be included (directors by the

production, by NIOKR, etc.), as well as the direction, who has knowledge and experience in risk management system organization, and the head of the group of normative-methodical providing, etc. (for instance, external consultants).

The risk management committee must implement following responsibilities:

1. To work out the risk management strategy and the main decisions in the area of the risk management;
2. To work out the risk management system development at the enterprise;
3. To provide the annual report to the Directors' council about the work of the risks management system;
4. To analyze and to introduce the proposals on the complex report about the control and estimation of risks management, working out by the Department of internal audit;
5. To solve other questions of the Risks management system by the decision of the Directors' council.

The Group of the normative-methodical providing is subjected to the risks management committee, the obligations of which are the risks management system functioning methodological support, particularly:

1. The risk management standards development on the enterprise;
2. The development of the methodology and analyze procedures of the risk;
3. The development of the managerial decisions working out mechanisms in the process of risk management;
4. The development of the documents and reports forms for the risk management system;
5. Finding out the requests in the informative system of the risk management;
6. Working out the recommendation on the development and improving the risk management system;
7. Teaching and methodical support for all participants of risk management system and, first of all, the workers of the Risks management department.

The control and the estimation of risk management system must be imple-

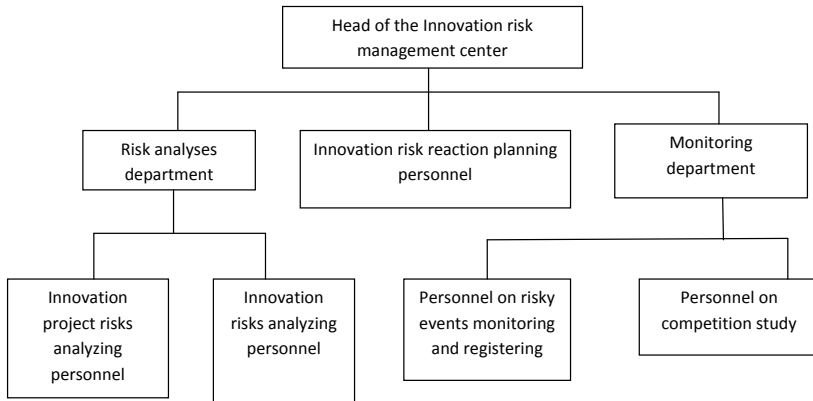
mented by the Audit committee at the Directors' council. The Department of internal audit must be subjected to the Audit Committee. (Their responsibilities must be written down in a separate document). Concerning risk management, the department of internal audit must be responsible for the study and work out the proposals on the control system and risk management estimation system, to work out the corresponding control and estimation systems, to provide auditor's reports by the results of control and estimation.

The General director of the company must be responsible towards the Directors' council for the Risks management system's daily work functioning and agreement, for the implementation of the standards, methods and procedures accepted, as well as for providing corresponding resources (material, human, etc.).

The specialized subdivision – the Risks management department immediately must do the work on risks management provided by the enterprise risk management system. Such kind of department must be responsible towards the General director and make the following obligations:

1. To be responsible for the organization and coordination of the risk management system's daily work;
2. To be responsible for the risk management system in corresponding departments;
3. To be responsible for the risks management adequacy estimation;
4. To be responsible for the risk management information system introduction;
5. To analyze and make proposals on the risk management strategy on the key decisions on the risk management, as well as to be responsible for the introducing such kind of decision;
6. To analyze and to make proposals on the standards, methodology and analyzes procedures and risk management procedures, the managerial decisions control development mechanisms;
7. To analyze and to make proposals for the report on the Risk management system;
8. To make other work on risk management.

The innovation risk management is made by the Innovation risks management center (IRMC) and Risks management department. The possible organizational structure of IRMS is presented on Pic. 2.



Pic. 2. IRMC organizational structure at the enterprise

The presence, quantity and structure of IRMC on the enterprise depends on the volumes and the character of the innovation projects, the presence of the functioning Risk management department on the enterprise.

The monitoring department includes two groups of specialists. The monitoring personnel must be responsible for the in-time registration of the changes in the external and internal environment, including the collecting of the information from managers (risk-managers) of the projects, the registration of the realized risky events, factual losses and gains as a result of their realization, the initial risk analysis, as well as must participate in the risks registries preparation. And the competition investigation personnel is responsible for the search for the information, regarding the possible plans of the enterprise's competitors, possible changes in the staff content, possible finding of new competitors or products, prices making of the other market participants, possible changes in the legislation, arising changes in the usage of enemy actions towards the enterprise and other functions.