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RISK MANAGEMENT AND THE EFFECTIVENESS OF THE DECISION-MAKING PROCESS IN INNOVATION MANAGEMENT

Abstract

In the conditions of globalization, modern market relations offer new challenges to companies, which are not so easy to adapt to. New relations established innovative rules, new opportunities for effective functioning; Dealing with them, obviously, requires more and more time, energy, opportunities, theoretical and practical skills and other additional resources from the leaders/managers.

The presented article is based on theoretical and empirical research. Methods of analysis, synthesis, generalization and abstraction, induction, deduction, etc. are used. The theoretical basis of the research is the works of researchers of the relevant problems of national and foreign science, articles, as well as the works of various scientific and research institutes on risk management, relevant materials published by annual special magazines and print media, publications, Internet resources, where an analysis of the practical experience of developed countries is presented and rate.

An aim of the paper is to analyze an innovative competencies the author has studied.

An article discusses an effectiveness of the process of making modern and informed decisions related to risk management. The methodological basis of the research is: systematic approach to risk management, decision-making theories for financial managers; principles of innovative management responsibility and liability management; Theory of risk fundamentals and evaluation strategy selection; financial risk management criteria; Methodology for calculating the risk value margin.

Modern Western programs of business administration provide for an use of quantitative methods in making decisions, which are illustrated by the following methods: influence diagrams, decision options, statistical data and probabilistic calculations, discounting (Gabidzashvili, 2010: 182-183). All of this needs to be given an utmost attention in the decision-making analysis process.

Keywords: project, risks, innovative, management, decision.

Risk management and decision-making analysis are the most important issues in modern business relationships. In any process and organizational structure, risk should be considered as an event and appropriate measures should be taken to prevent it. At the same time, we must recognize that risk is a complex structural phenomenon and is based on many factors. Understanding the need for risk management is an important factor in implementing any process. Under the conditions of its good implementation and therefore consistent management, a valid risk management policy will reveal not only undesirable events, but at the same time it may reveal profitable and successful development prospects.

In any type of market, there are many factors that are unknown in advance, which lead to the non-fulfillment of the economic results set by businessmen. Therefore, it is in the market that the effectiveness of the tactical-strategic decisions made by the businessman, uncertainty and risks in these decisions appear. An entrepreneur should try to understand the economic situation in the market and build his tactics or strategy in such a way that allows him to face fewer dangers (bankruptcy, expulsion from the market, non-recognition of new goods by consumers, loss of credit, inflationary processes caused by price increases, etc.) to have a case (Gabidzashvili, 2010: 132-133).

All projects contain risks such as: cost overruns, deadlines, low productivity, customer disappointment, business disruption, etc. Therefore, risk identification and management are very important issues. Risk management is focused on identifying as many possible negative events as possible, minimizing their impact, it is necessary to prevent events, but if they do occur, it is necessary to ensure the needs to cover unforeseen costs.

Taking into account the principles of risk management and implementation methods, it is necessary to pay attention to each stage. The next stage of determining the content is the identification and determination of potential risks. All events that cause problems immediately after their occurrence can be considered a risk-bearing process. Thus, the identification of risks should start from its original source, or the problem itself.

Managers need to pay close attention to source analysis. The source of risk may be outside or inside the system to be analyzed in terms of risks. Project partners, users, staff, natural events, etc. can be the source of risk.

The detection and analysis of possible risks related to the project is formally related to the detection, analysis and evaluation of problem areas before starting work on the project, which is a proactive process rather than a reactive one. In other words, it is a preventive process that aims to reduce any surprises and minimize unwanted consequences. This is to some extent the project manager's preparation for a risky event. Successful management of project-related risk allows the project manager to better control the future and increase the possibility of achieving the project's objectives within the approved budget, in accordance with the technical requirements.

In the process of analyzing the problem, it is possible to consider risks related to specific dangers (risks of loss of money, violation of privacy of personal data, accidents or incidents, etc.). The threat can come from different sides, mostly from depositors, customers and legislators, as well as from official structures.

The selected method of identifying risks depends on traditions, the field of activity and their combination. Identification methods are established through a general format or definition of the source, problem, and event.

Establishing and developing a risk management structure in Georgia is a particularly difficult task. Risks identified in the project management process and relevant questions should be answered on the spot, followed by a preventive response, or better, the risk should be predicted in advance based on the analysis of existing trends and possible sources.

Project managers face a number of tasks, the most important of which are: to determine the need for risk management and analysis; risk management methods and sources are selected; formation of the organizational structure of risk management and analysis; identification of risks, selection and implementation of the best directions for its management and possible reduction; determination and control of risk values, limits; Analysis, monitoring and evaluation of project management effectiveness.

In modern conditions, the issue of project risk management is a diverse and complex structure, which in a rapidly developing environment changes with time and situations, that is why it is difficult to develop a single standard. Accordingly, a number of problems are debatable and require further processing.

We consider it valid the research efforts of Georgian scientists in this field, which are directed to study and consider risk and related processes as an event and the first and most important object of research in the economic and other fields of today's world, to develop a system of risk search, definition, analysis and management; Also, develop tools and mechanisms that will reduce risks and evaluate the effectiveness of the project's risk management system and the probability of possible loss or damage.

In today's volatile environment, risk management is relevant to the extent that it is an important tool in the arsenal of the global world. In the process of implementing each project, it is necessary to determine what internal and external threats exist in various institutions and also focus on the methods that will help innovative managers to reduce and avoid these threats. The purpose of risk management research is to determine: financial, market, business, liquidity, exchange rate volatility and inflation, operational and systemic, human resources, legal, environmental and political risks. The study also needs to include risk measurement, valuation methodology and value-at-risk (VAR) estimation. Practical examples, in the context of various institutions, present important issues and provide us with successful tools and methods used in risk management.

Very often, innovative managers mainly focus on the concept of management risk, management risk strategy and financial risk analysis, while in the process of project implementation it is also extremely important to use forecasting methods, predict "naturally - undefined" risky situations and behavioral risks.

It is the form of hidden chronology that allows this kind of research to collect unmistakable information, and thus it differs from the documentary method of observation, according to which the documents prepared by the respondents are distorted for various reasons (Narmania, Faresashvili, 2012: 186-188).

The examples of Georgia show that even in the process of implementing massive projects, innovative managers focus on negative events occurring in the project and take measures to prevent them. It would be desirable for managers to consider other successful/unsuccessful foreign or local projects in a similar field and determine the reasons for the success or failure of similar risk factors; To comprehensively develop a system of success/failure measures of risk factors.

When innovative managers talk about digital marketing strategies, they need to combine the role of content marketing research with the process of identifying risk factors.

From the point of view of finding rational solutions, it is important to use probabilistic estimates in the project management process, for example, mathematical waiting, which is obtained based on the sum of the products of the corresponding probabilities of all possible outcomes. All this, obviously, is a very complicated process in its essence and, of course, in terms of calculations; It envisages the mathematization of a number of processes, but in order to achieve the goal, it is necessary to consider these methods and approaches.

The information risk management policy is directly related to the information management and information security policy of the company. The main focus of information risk management should be:

- Determining the scale of project risk management;
- Interrelationship between information risk management and strategic planning processes of the company;
- Objectives and basics of information risk management of the project;
- It is necessary to determine what is considered an acceptable risk;
- Information risk management responsibility.

Once the risk has been identified and assessed, a decision must be made about the appropriate response. Responses include risk reduction or maintenance, diversion, and participation.

If a predictable risk becomes real, then a contingency plan is a preventive measure to reduce the negative impact of the risk. In case of unforeseen circumstances, the plan answers the questions: what, where, when and to what degree will it happen? The absence of such a plan leads to serious driving errors. Late, i.e. After risk, making decisions can turn out to be quite dangerous and expensive. In case of unforeseen circumstances, planning alternative measures at the early stage helps to get out of the crisis situation. This will significantly improve the chances of project success. The plan should include cost estimates and funding sources. All participants need to agree to it, because using such a plan means breaking the workflow process. Therefore, it is necessary to familiarize the team members with the plan in order to minimize their surprises.

Modern corporate risk management (Enterprise-Wide Risk Management, ERM), or integrated risk management, at the level of the entire organization, and the ERM systems created on their basis are required to monitor all types of risks, store this information in a single global data repository, which integrates basic hardware resources and sources Consolidate and organize large volumes of base data, regardless of their location. Special attention should be paid to the integration of the ERM system and data warehouse with the existing front-, middle- and back-office systems.

The effectiveness of the process of making modern and informed decisions related to risk management depends not only on the completeness and quality of data, but also on the ERM-ability to create various types of reports and attachments in order to provide timely information to the end user in the most convenient form. The maximum timeliness of receiving analytical information can be achieved at the expense of optimization of all processes and reports in the ERM system and at the expense of using modern means of providing information. The publication of reports and access to data on the results of risk analysis both inside and outside the organization is one of the most convenient and effective methods of presenting information.

Integrated assessment and risk management assume the possibility of cross-classification in the ERM-system: decomposition and aggregation of received alternative results according to given analytical reserves. Such an opportunity gives an indisputable advantage to the risk manager. Cross-classification allows reports to be generated at any level of aggregation: entire companies, regions, departments, instruments, etc. according to. The use of cross-classification makes it possible to see the overall picture of risk and the positions of the financial institution.

An equally important factor in the effectiveness of the risk manager's activity is to make sure that the obtained analytical results are as accurate as possible. The accuracy of any risk calculation depends on the assumptions and assumptions made in the model. The ability of the ERM-system to determine the behavior of risk factors different from the normal models and bring them into line with the available historical data increases the confidence in the accuracy of the analytical results. The best option would be a system that would select the most appropriate model and optimize it for a specific time series.

ERM-systems have become integral components of modern business. They allow the risk management sub-department to develop from a simple control of individual positions to a fundamental factor in increasing the company's financial strength.

Thus, the following conclusions-recommendations can be made:

- Management of economic and investment activities under conditions of uncertainty - this is the process of identifying the level of deviations in predictable results, making and implementing management decisions that allow to avoid or reduce the negative impact of random factors on the recovery process and results, while ensuring a high level of income;
- The risk management system of economic and investment activities should be built on the basis of a recruitment approach, i.e. have the ability to constantly modify using a complex of management methods, adequately at all stages of incoming information flows;
- Risk management includes: revealing the results of economic entities' activities in a risky situation; Building the construction framework and systems function process with respect to changing environmental conditions; development and implementation of those measures, with the help of which the likely negative consequences of entrepreneurial actions can be neutralized or compensated;
- Conditions for effective management of economic and investment activities, taking into account the uncertainty factor: optimal combination of centralization and decentralization of investment activities; The scientificity of the process of the organization of analytical assurance of the management of investment activities; Development of new goals and objectives for the improvement of the organization of the analytical provision of the methodical apparatus for the management of investment activities.
- Continuous improvement of investment activity management; interaction and reasonable regulation; Continuity of analytical assurance and information sufficiency of investment activity management; compliance of the nature of the work with the capabilities of the performer; Continuity of raising the qualifications of the managers of the management of the company's activities.
- Establishing and developing a risk management strategy allows an innovative company to predict the occurrence of risks with great accuracy. Despite the need to develop a risk management strategy, it is necessary to develop a risk response strategy in a modern company. The assessment of investments in

risk management showed that sustainable results and success were achieved only by those innovative companies that created a modern risk management system [12].

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