

Таким чином використання запропонованого алгоритму дасть змогу підприємствам дослідити динаміку ризику та віддачі, зіставити здобуті результати з метою і ступенем їх досягнення, зробивши висновок щодо економічної доцільності заходів, які розглядаються, істотно знизити економічний ризик при реалізації проекту та в разі можливості великих втрат в результаті невдачі – своєчасно відмовитися від його прийняття.

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THE FOUR FUNCTIONS OF MANAGEMENT

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Managers do many things in order to be successful. They plan sales campaigns. They prepare budgets. They review the performance of businesses and people. The list goes on and on. In order to make the study of business management easier, it is necessary to shorten the list. One method is to separate these tasks into larger categories called functions. Each management function deals with a specific aspect of what managers do. The four functions of management are planning, organizing, controlling, and directing.

The Planning Function. The planning function includes all activities that determine the future of a business. The objective of planning is to put the firm in the best possible position relative to future business conditions and customer demands. This allows the firm to reap the highest profit from its activities. The scope of the plan may be grander for the head of the business, but planning must be done at every level. Business planning covers anything from what is going to be done this afternoon to meet the needs of a single customer to deciding whether to start a new line of business and open a new multimillion dollar plant to support it.

Planning concerns what will happen in the future, so being able to forecast future business conditions is important. Business forecasting involves evaluating both past and current conditions and making predictions of future customer demands and business conditions. Forecasting can be done in many ways, from making a simple intuitive guess to developing elaborate computer models. Planning can be applied to nearly every area of business, including sales, marketing, production, inventory, cash flow planning, and finance.

Planning begins with the development of the organization's marketing plan. The marketing plan is the business's road map to success. It shows the owners, the managers, the employees, and everyone else how the firm is going to be successful. The first item in the marketing plan is a definition of the firm's purpose. The purpose tells the owners, employees, investors, and the public in clear, concise terms what the firm intends to do. The purpose may be to provide a full line of liquid fertilizer applications to all the farmers in a county. It could be to sell cattle-feeding equipment to ranchers in eastern Oklahoma. Whatever it is, the purpose is what gives the firm its identity.

The second item in the marketing plan is a statement of the firm's objective. The objective is a statement of how the business is going to accomplish its purpose. It explains what the firm is going to do better, faster, cheaper, and so on that will give it a competitive advantage in the market (i.e., why someone would buy from them rather than someone else). For example, a business's objective could be to have the largest selection, the lowest price, the best credit terms, or the best service in the area.

The Organizing Function. Once the firm has made its plans, it is necessary to develop a way to convert them into reality. The organizing function covers all the issues surrounding how to set up a business. This requires the development of an organizational scheme that accomplishes the firm's purpose and objective efficiently (so things are done well) and effectively (so the right things are being done). The business must be

concerned not only with the flow of work through the system but also with the people involved and their interrelationships. The well-being of employees is important because happy workers are productive workers, happy workers make happy customers, and happy customers mean a successful business.

How the firm is structured has a great deal to do with how employees perceive their work, sense of accomplishment, productivity, and how they make decisions. The biggest goal is to give employees a sense of belonging and a feeling of influence in what happens. To do this, businesses use a mixture of organizational approaches. Some use teams. Some organize by product. Some organize by market. The goal is to develop an organizational structure that best permits the accomplishment of the firm's purpose and objective.

Another aspect of organization is the selection of a legal structure (e.g., sole proprietorship, partnership, cooperative, or corporation). Each of these forms and their variations brings some advantages and disadvantages. Agribusiness managers need to understand what each has to offer in order to select the best one for their business.

The Controlling Function. The controlling function concerns giving management feedback on the firm's progress in achieving the goals set in planning. The amount and type of controls are usually decided by the size and complexity of the organization.

Controls are found at all levels and include measures of an individual's progress as well as the progress of entire departments and businesses. The level of progress should be measured against standards set in the planning and organizing functions. The achievement of some key standards, such as production rates per hour, cost per unit, or annual dollar sales, will determine the success or failure of the business. Severe deviations from these standards need to be detected early and warrant careful investigation. The fault may rest in the standard as well as in the performance of an individual or the organization.

Deciding the proper corrective action is often a judgment call by the manager. When only minor adjustments are needed, that is all that should be done. When a major overhaul is required, that is what should be done. The art is knowing the difference. Managers' control systems should give them enough information about how serious a problem is to correctly determine the appropriate response.

The Directing Function. The fourth management function – directing – is where the planning, organizing, and controlling functions are brought together to convert the plan into reality. Directing is the actual

implementation of the other three management functions and normally consumes about 90 percent of a manager's time. This is where agribusiness managers mesh plans, organizational schemes, and controls with human resources to accomplish the purpose and objective of the firm efficiently, effectively, and profitably. While the first three management functions are mainly about managing things, directing is about leadership. The focus of the directing management function is devoted to the leadership of people and how to set up a work environment where everyone seeks to excel.

Successful directing relies strongly on good leadership to accomplish its mission. If employees can see and understand the firm's purpose and objective, accept their importance, and recognize how what they do each day helps the firm accomplish them, then they are more likely to be productive employees. Their acceptance can usually best be accomplished if the workers are advised and consulted during the whole business planning process. Often they will have special insights that will improve the chances for success. Wise managers carefully manage their technological, financial, and physical resources, but are careful to lead their most valuable business asset - the people who do the work. A business can never be better than the people who work there. With good leadership, even a poor business plan can be successful.

The management functions of planning, organizing, controlling and directing are widely considered to be the best means of describing the manager's job, as well as the best way to classify accumulated knowledge about the study of management. Although there have been tremendous changes in the environment faced by managers and the tools used by managers to perform their roles, managers still perform these essential functions.

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