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PROBLEMS OF RISK UNDER GLOBALIZATION CONDITIONS

Globalising processes influence on the emergence of both internal and external factors as well as the criteria, which are used in defining and assessing entrepreneurship risks.

The risk as a phenomenon of the enterprise represents a part of its usual activity. The capital investments possibility, the employment of the new employee, the realization of the goods and services in the market, the formation of the price or signing of the sale agreement could involve business risks.

Historically in financial institutions, risk functions like legal, compliance, audit, credit risk and market risk were managed in separate organizational silos. Operational risk was generally the responsibility of business units as part of their daily activities. Risk management was focused primarily on financial, predictable and quantifiable risks related to loss prevented corporate governance, alignment to strategic objectives, capital adequacy and stakeholder value. Additionally, regular discussions on risk management started appearing on corporate board agendas.

Risk management is a rapidly developing discipline and there are many and varied views and descriptions of what risk management involves, how it should be conducted and what it is for.

Risk management is a central part of any organization's strategic management. It is process whereby organizations methodically address the risks attaching to their activities with the goal of achieving sustained benefit within each activity and across the portfolio of all activities.

The focus of good risk management is the identification and treatment of these risks. Risk management protects and adds value to the organization and its stakeholders through supporting the organization's objectives by:

- providing a framework for an organization that enables future activity to take place in a consistent and controlled manner;
- improving decision making, planning and prioritization by comprehensive and structured understanding of business activity, volatility and project opportunity/threat;
- contributing to more efficient use/allocation of capital and resources within the organization;
- reducing volatility in the non essential areas of the business;
- protecting and enchanting assets and company image;
- developing and supporting people and the organization's knowledge base;
- optimizing operational efficiency.

Studying how corporations manage the incredibly diverse number of risks they face – everything from movements in currencies, interest rates to public perceptions of their reputations is playing an extremely important role in the investment process. Risk management system is part and parcel of building sustainable competitive advantage.

Companies in Europe are realizing that for risk management to be truly effective it needs to be linked with real time decision-making strategies. Companies quantify global corporate level risk, certain categories of risk, and certain activities or geographical locations of risk.

Risk management is a new phenomenon for the development of European members' economies which arose upon economy transition to market system of managing. The majority of "newcomers" in European business do not yet understand up to the end and estimate inevitability of risk and importance of its account in business activity.