

CRISIS MANAGEMENT SYSTEM IN SELECTED COMPANY

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This article presents an overview of crisis management and clarifying its solution in a particular company. The article describes crisis management and corporate crisis as the theoretical basis for the subject. The main content of the article is a description of crisis management in the a particular company and knowledge of crisis communication and crisis planning, which are used to address specific crisis situation.

K e y w o r d s: crisis, crisis situation, state of crisis, crisis management, company, measures and procedures, fire, accident

1 INTRODUCTION

As our society, crisis management has evolved, too. Initially, the term was understood only in the context of military conflict, but later moved into the social and economic fields. Every company does goes through during its existence certain crises, whether you own them or cause them to succumb to the impact of the external environment. Every crisis is an enterprise formed and assesses its readiness and strength to deal with the situation. The corporate management is understood as a crisis management tool functioning corporate governance in the face of crisis. Emergency situation can be any situation that seriously threaten the functioning of the company and its future existence. Therefore, crisis management is currently one of the most important management tools and plays an important role in planning, organizing and handling any business activity. Continuously monitor the current situation and intervene if necessary. Coordinate its activities with the other components of corporate governance and, if necessary giving an immediate draft of the measures and procedures to deal with the situation. In certain areas, management crisis management and prevention rather than made plans to deal with the situation. For each new crisis is able to learn new knowledge and incorporates into newly modified method of management.

2 THEORETICAL BASIS OF CRISIS MANAGEMENT

The term "crisis management" was first used in 1962 during the Caribbean crisis. This crisis was related to the deployment of nuclear weapons by the former Soviet Union on the island of Cuba. Later crisis has resulted in open political conflict between the USSR and the USA and its increase could cause a nuclear war. At that time, compiled by J. F. Kennedy working team under the name of "crisis management", whose aim was to eliminate the risks leading to mutual confrontation.

In the next period, this term taken in NATO terminology and became a tool for dispute and crisis management military. After the fall of communism in Europe and the termination of military and security threats in the Euro-Atlantic area, the term crisis management has been defined only in a military environment, but became the universal term for defining processes during emergency situations of natural,

economic, social, social, and corporate antropogenného-economic nature.

Nowadays, due to the broad scope of crisis management cannot be achieved by common terminology and a definition of this term. Government bodies, educational facilities, but also to individuals and entities that move in the management of crisis situations, have their own take on crisis management. In some cases, their thoughts and opinions differ substantively or contradictory.

In the literature there are many definitions of crisis management, but for practice and business executives is the most concise definition that describes and characterizes crisis management as a coherent set of approaches, views, experiences, advice, methods and measures that managers use to mastery of specific activities engaged in various stages of prevention, correction, anti-crisis intervention or contraction, reduction and recovery.

The basic function of crisis management that accomplishes stated objectives include planning, organization, personnel, management, auditing.

Contingency planning has all the features of greatest importance. Represents a purposeful activity management entities, which on the basis of the objectives set defines the main tasks, activities, ways and means, which are necessary to achieve those objectives.

Organization is purposeful and systematic activity, which aims to organize the elements, coordination and activity.

Human Resources is a specialty that deals with the selection of quality personnel and staffing firm for selected workers into working position.

Leadership is part of the management and its main task is to motivate people to willingly and voluntarily perform work efficiently. Leadership is a process in which the subordinate shows how the work is carried out.

Controlling is an on-going process of investigation unbalanced state enterprise and its environment. The aim of controlling the finding of the current state of the process and its comparison with the requirements.

3 CHARACTERISTICS AND DEFINITION OF CORPORATE CRISES

In crisis management one distinguishes several terms in relation to the crisis. Individual concepts more

precisely define and express a state system that affected the crisis phenomena. These include term crisis, emergency situation, a state of crisis. In general, the crisis is defined as a decisive moment or period of time, after which there may be a fundamental change in the development of the plot or scheme. It is difficult or dangerous condition running processes in society, in nature, in the activities of technical resources and technological processes, the negative consequences may seriously jeopardize the function or even the existence of these processes. The term crisis is commonly referred all crisis phenomena.

Corporate crises can occur for various reasons and have different nature, therefore it is necessary to distinguish between different types of corporate crises. Corporate crises are not quite identical with crises in general, but bear some commonality. The basic types of distribution of corporate crises include the following:

- Outside the economic crisis
- The internal crisis
- Crisis by the interaction
- Crisis to the impact of the crisis on business
- Crisis in terms of the source of exposure
- Crisis in terms of development
- Crisis in terms of speed of
- Crisis of the scale
- Crisis by hardness

Any business crisis moves from its beginning to the end of certain development stages. Developmental stage are limited in time and depend on the particular type of crisis, its intensity, external and internal conditions and the space in which they broke. Crisis management recognizes four developmental stages of the crisis:

- stage of symptoms
- acute stage
- chronic stage
- stage of settlement

Most corporate crises pass through three development stages from conception to negative action. The fourth stage of the crisis, is its resolution. Each stage of development is characterized by activities and tasks carried out crisis management to avert the crisis and eliminate the negative effects. Different stages cannot be completely avoided, hence the need for the preparation of all necessary resources - knowledge and people skills to help handle the crisis. The base is a prospective analysis, which ensures successful crisis management and accelerate the transition to a new system ideal state.

The ideal state is a state in the enterprise without the crisis. Enterprise during this state achieves the goals set out with high efficiency and effectiveness. Nevertheless, the company operating the external and internal risks that present no danger yet. They try to influence its stability and efficiency of implementation. This condition is characterized by only implementing preventive measures

and inspection activities to ensure maximum protection of business before the emergence of a state of crisis.

Symptoms stage, the stage of the crisis, when more or less shows signs of instability and mismatch between planned and actual achievements. Initially, the symptoms are subtle, sporadic and short, so they can easily escape attention. Due to lack of monitoring and identification of symptoms results in their gradual rise and more intense impact on business activity. Subsequent accumulation induce and enhance the deeper causes of the crisis and the new connection causes the entire crisis intensifies and accelerates the process.

Acute stage of the crisis period, when there is a mismatch between the planned and actual achievements so clear and unambiguous that may harm the interests of the company or even threaten its existence. The company is started to show signs of crisis phenomenon. Disrupting essential functions of a threat to the functioning of nature. Deviation occurs from the company's development planned strategic plans.

Chronic crisis stage occurs after the acute stage, when using the measures taken could not effectively cope with the crisis. Although there was a reduction in stress, but outbreak of the crisis was not sufficiently localized and destroyed. The course of the crisis may be a non-linear and can take place in many ways and re-escalate. This implies a high degree of risk, which is the negative impact of business activity. Businesses lose customers and market position, its production program already does not need followers.

Resolve the crisis stage is a period in which there is a stabilization of business balance. It is characteristic of a strategy renewal business and implementation (technology, personnel, organizational) to achieve the necessary quality and stability. The company must gather all knowledge about a particular crisis, thoroughly analyse and learn from mistakes. It places great emphasis on creating a system for early detection of symptoms of potential future crises.

Solution of corporate crises is a purposeful process, which determines the future existence and prosperity of the company. None of the companies are unable to fully protect against the effects of Crisis, it is important to have a system that caused the crisis to deal with and remove. The actual solution of corporate crises, which is shown in Fig. 8, there is a short-term process, so oriented to the period state without crisis. This period is key to tackling the crisis itself, as it provides time and space to prepare and prevent crises. This means that the process of solving business crisis begins with prevention and crisis planning. Prevention and emergency planning interrelate and are the cornerstone of successful crisis management. Prevention is the implementation of such preventive measures to prevent the crisis and protect the business from Crisis influences.

Contingency planning is a kind of guide on how to tackle the crisis caused. It includes plans and procedures for dealing with various crises and by then it was unfolding action in dealing with a crisis situation. In a

crisis situation it must be a prompt and effective response. The reaction is based on contingency planning and its role is given crisis, eliminate and destroy and thereby reduce the potential for damage and loss. After adequate response occurs renewal system in which it is involved only in crisis management, but all the power and resources. The result is a new recovery and stable system. The whole process of resolving the crisis must then evaluate and adopt new preventive measures and improve emergency planning.

4 PRESENTATION OF CRISIS LTD.

Private Company Ltd. Crisis Founded in 1995, focusing on the manufacture and sale of pressure castings made of light metal, mostly aluminium alloy. Since 2001 the company is certified ISO 9001:2000 quality control and production has since focused on the electrical and automotive industries. Today the company belongs Crisis Ltd. between high pressure foundry with a view of technological and capacity growth.

Currently, the operation of the company split into two separate operations separated by a few kilometers. In each of the plants employ around 200 staff. The actual production of injection molding has three 8-hour shifts.

The main objective of the company is growth in sales and total output. Currently, the company seeks to establish cooperation with foreign companies and penetrate new markets, especially in Poland and the Czech Republic. With the penetration of new markets is related to quality production and development of new products, so the company also focuses on this area and strengthens development capacity, expanding the number of designers and developers.

The organizational structure of the company is perfectly thought out, there are separate individual sections, which do not interfere with each other, but between them they have linked organizational ties. All this enables the reliable and efficient operation of the entire management system. The quality manual, which the company prepared in accordance with ISO 9001:2000, are given all the powers and responsibilities of employees who perform management functions or affect quality. At different levels of the organizational structure of the different approaches to management. At the level of the managers of applying strategic management at the level of heads of departments and managers and operational management at the level of individual sections of methodical management.

Crisis Company Ltd. has three owners, who are its directors. Each of the managers held a sign the contract itself. Signing is done so that the business together with all his handwritten signature. Under the direct competence of managers falls agent for quality. The company is divided into 4 departments - finance department, sales department, maintenance department and production department. Each of these departments has its own manager. Under the competence of the financial manager

falls and payroll and HR department, payroll clerk and treasurer. Production department managed by an Executive Director, who has the broadest powers throughout the company and controls all production activities. Under his ultimately responsible for the quality manager with the department of technical control and individual sections which are still their own leaders. Heads of departments are responsible for only the employees themselves.

SWOT Analysis of Crisis Ltd.

The analysis describes the strengths and weaknesses, its opportunities and threats. Strengths and weaknesses based on an analysis of the internal environment of the company and the opportunities and threats analysis of the external environment.

The basis of the company's strengths is its production. The company manufactures high-quality products, they still perfecting and developing new products. The quality is also related to certification according to ISO standards. The company has implemented ISO 9001 (Quality Management System) and ISO 14001 (Environmental Management System). Long existence in the market has brought the company a long-term contracts in the automotive and electronics industries, because the company has secured a permanent production in large quantities. For this reason, the company is profitable and does not need frequent access to anti-crisis measures.

Weaknesses are related primarily to increased competition, leading to lower prices. While high energy prices and Al alloys lead to high financial burden. Intensive manufacturing entails the frequent failure of machines, because of the cost of repair and maintenance of these machines I consider a weakness. Another weakness is the possibility of information leakage to competitors. The company does itself develops new products to market and manage it all these aspects increase the possibility of threat information.

Among the opportunities the company is undoubtedly the penetration of new markets, whether domestic or foreign. The company is trying to penetrate the market especially in Poland and the Czech Republic. This would of themselves bring an increase in output can expand production and create new jobs. Continuous effort in gaining the ISO quality certification also poses new opportunities, because some markets are open only to companies that own certain series of certificates according to ISO.

Potential threats may again be associated with the increasing competition in the market. A company can obtain new contracts, but at a lower rate, threatening the profitability of the company. Another threat is the financial crisis which may affect the overall demand for production and thus reduce production. The profitability of the enterprise may jeopardize the growth of energy prices and the Al alloy or increase in labor costs. Very important is also the threat of leaving employees to competitors, whether due to dissatisfaction or better salary

conditions. Therefore, it must find the optimal threshold level of wages of workers, which will lead to the satisfaction of the company and the employees themselves.

Financial Analysis

The aim of the analysis is to assess the financial situation and its evolution over time. Analysis of the financial situation of the company will be in charge of the financial manager. Responsible for the proper execution of the financial statements presented by the economic meetings of senior management. Economic meetings are held every Wednesday and are designed to continuously monitor the financial situation, tracking variations and design of anti-crisis measures. The main theme of each economic consulting the financial statements, which are made in different time frames. In their evolution is monitored development, business growth and profitability of its operations.

To develop financial analysis financial manager uses an economic program licensed from OMEGA Kros. Software environment that enables the program to keep records of the company's assets, financial agenda, invoicing and inventory management. The result is a compilation of records of accounts directly in the program. Are incorporated into the program and financial analysis of key indicators that can monitor the financial manager by selecting the time horizon. To select a comparison of the current year and previous years or even months for the comparison more accurate and detailed tracking. Alone financial statements and analysis of indicators can be printed and submitted in economic consulting.

5 CRISIS MANAGEMENT IN A CRISIS LTD.

Crisis Company Ltd. did not have in its organizational structure a person of a crisis manager. All resulting crisis were dealt operationally across the existing organizational structure. Therefore, I would propose to introduce a fixed function crisis manager in the organizational structure, determine his specific responsibilities and powers in the case of a state of crisis by crisis teams convened to address specific crisis situations.

The organizational structure of the enterprise crisis management Crisis Ltd. would consist of crisis manager and the individual teams. Each team would be provided by a different area of crisis management and emergency situation should the various responsibilities and tasks. Members of various emergency teams would work together under the circumstances of the situation and their work would be organized and coordinated crisis manager.

An important part of the enterprise crisis management is crisis communication. This ensures timely and true information in all stages of crisis management, whether in relation to the internal or external environment business. Major role in crisis communication of Crisis

Ltd. Sales Manager plays a role in crisis spokesperson. In a crisis situation becomes intermediary between company management and target groups. Where necessary, the role of crisis communicator integration and other professional staff and management of the company.

The company distinguishes between two types of crisis communication:

- internal crisis communication
- external crisis communication

Internal crisis communication applies to all company employees, company management and investors. Forms of internal crisis communication:

- Personal Interview
- Meetings
- Negotiation
- Information boards
- Mass mail

External communication involves communication business with the public, the media, customers, business partners and other companies. Forms of external crisis communication:

- Personal discussion
- Contact with the media
- Press Conference
- Press Release
- Telephone conversation
- Fax and e-mail

Crisis Planning

Crisis Company Ltd. as a manufacturing enterprise can get into the unpredictable and sudden crisis. The production activity is in fact linked to the operation of various machinery and equipment, power supply, manual workers or natural influences. For this reason, the company introduced contingency planning in order to address various crisis situations:

- Fire Protection Plan
- Emergency plan
- Plan for energy supply disruptions
- Flood Protection Plan
- Waste management plan
- Traumatology plan
- Evacuation Plan

All these plans include measures and procedures to be carried out in a particular crisis situation. They are also the competence and responsibility of designated staff in the implementation of individual measures.

Fire Protection Plan

Every company is legally obliged to draw fire protection plan. At present the company has the plan trustee in charge of quality. Plan itself provides for powers and responsibilities of staff in the implementation of preventive or reactive actions in a fire.

Emergency Plan

According to an internal emergency plan (HP) is a state of disrepair mean the sudden and unexpected leakage of waste impending severe contamination of soil,

water, air or other immediate threat to the environment. Cases of emergency, such as:

- uncontrollable contaminated water oil substances
- technical equipment failures and mistakes previous uncontrolled contaminated
- releases of hazardous wastes from equipment designed for their capture, storage, transport

In the event of an accident, each worker must immediately notify their supervisor or in his absence the managing director of the company directly. Managing Director or his authorized personnel with their subordinates and carry out immediate measures for the disposal of an accident and to provide all the available and necessary resources.

Fire Evacuation Plan

In case of fire, accident, release of hazardous waste or other emergencies will be activated fire evacuation plan, which specifies the security principles and procedures for evacuation. Evacuation process is in accordance with the evacuation plan, which the company has developed and updated as necessary. This means that every worker should be in the vicinity coordinator in charge of the evacuation zone.

Planned interruptions in energy supply

In this manufacturing enterprise production is dependent primarily on the electricity supply. Therefore, the company developed a plan for this type of crisis situation, to avoid large losses in production, breach of terms or discontinuation of communications with suppliers or customers.

Flood Protection Plan

Near company premises Crisis Ltd. There are rivers. Therefore, the enterprise shall, in accordance with the legislation in force to develop flood plan. In the case of flood situation is undertaking required to establish Flood Commission divided the work and crisis staff.

Traumatology plan

First aid, rescue the injured and their transfer to a medical facility performs medical service, t. j. company employees trained for pre-medical first aid - in line with Traumatology plan.

Crisis management in the enterprise - economic aspects

The basis for solving the economic crisis, the company's analysis of its financial situation. Based on the financial analysis of the company then decides how and when to intervene in the development of their financial situation. These interventions can be called the anti-crisis measures to achieve better financial situation and stabilize its development. Anti-crisis measures in a Crisis Ltd. used operationally and without prior planning. Based on various kinds of statements are treated and the level of corporate governance and the implementation of anti-crisis measures. Balance sheet as a basic financial statement constitutes a strategic level management, profit and loss statement and tactical level cash flow and various financial indicators of operational level. Since I mentioned that the company is treated for anti-crisis

measures operational, so the focus of crisis management is the statement of cash flow and financial indicators - profitability, activity, debt and liquidity. These are the basic indicators that business uses for crisis management and operational use has achieved instant remedy the financial situation and return to its original state.

In the studied company place great emphasis on monitoring the financial situation and identify possible economic crises in the bud. Assessment of financial situation takes place every Wednesday at economic consulting, where in case of deterioration of the financial situation of proposed anti-crisis measures. Financial manager at that moment becomes a crisis manager for economic affairs and proposed anti-crisis measures, which are discussed in the next section.

In the event of adverse financial situations and threats of economic crisis must take effective measures to avert this development and prevent crises. As I said, in a Crisis Ltd. be adopted in the economic field operative anti-crisis measures. This means that they are not planned in advance and there is no universal guidance for action on what type of crisis is to be used. The measures proposed for economic consulting a financial manager and approved by the directors of the company. Anti-crisis measures are proposed with regard to the system and the functioning of the company in the long term, this means that the anti-crisis measures have indeed achieved immediate corrective action and return to the original state, but should not be taken at the cost of layoffs, cutbacks or worsening conditions in job. Some unpopular measures are unavoidable, but it should at least attempt to be the most feasible solution with respect to all components.

Anti-crisis measures aimed at increasing funds:

- bank loan
- Adjustment payments for loan and lease
- Limiting investments
- subsidies

Anti-crisis measures aimed at strengthening business activity:

- Entry into new markets

Anti-crisis measures aimed at reducing company costs:

- Analysis of stock
- Stopping production for selected companies
- Analysis of material transport
- Savings in transport
- Limitation of fixed costs
- energy Saving
- Advertising and Marketing
- shutdown
- Limiting overtime
- Reduction of wage costs
- dismissal of the staff

7 CONCLUSION

Every company from time to time goes through a period when it hit a crisis. In some cases this is caused by the undertaking itself or its way of financing, sometimes the situation cannot influence and simply succumb to the crisis. For this reason, it is important that every business diligently preparing for the emergence of the crisis in different areas and where the crisis has hit him, so will be able to respond adequately. The measures adopted should be planned to ensure effective and efficient management of crisis situations. It is in charge of crisis management that can be implemented in the enterprise as a separate organizational unit coordinating its activities with other organizational units. In smaller enterprises crisis management is implemented within their existing organizational structure and roles and responsibilities for crisis management managers assume their sections.

Enterprise in crisis management focuses mainly on the economic area, which closely monitors the financial situation and subsequently adopted anti-crisis measures. In the area of emergency planning is preparing to fire, accident, evacuation, flood and Health at Work. For these crisis situations enterprise has developed precise procedures and precautions. In the case of economic crisis, however, the company has developed procedures and analysis to help them effectively manage a bad situation. Anti-crisis measures proposed only oparetaívne and agreement on economic meetings. The measures are aimed at reducing costs, increasing funds or investment restriction. The greatest impact, however, are cost cutting measures. Recently, the company is the most frequently used measure of downtime for a shorter period of time. Provides bridge currently poor financial situation and the accumulation of orders for production, and thus the company can re-start the cycle funds. The overall assessment of a company helps being aware of any threat to the crisis and to every situation to respond adequately.

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