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BASIC PROVISIONS OF REENGINEERING AND CONCENTRATION OF PRODUCTION AS AN INSTRUMENTS OF CRISIS MANAGEMENT

Reengineering is a modern and effective anti-crisis strategy for reforming business processes at the enterprises. During its evolution reengineering became an instrument for changing ineffective practices of management to new, flexible and radical corporation redesign. While reengineering is quite popular abroad, only a small number of corporations and enterprises in Ukraine use it. Therefore, there is a need to adapt and develop the methods of reengineering for the domestic economy.

The article aims at analysis of the existing methodological approaches to reengineering and identifying the most promising methods of reengineering effective for domestic enterprises in crisis.

Modern reengineering methodologies are based both on the works of foreign and domestic scientists and practical experience of foreign companies that have implemented the latest technologies of reengineering. Thus, the M. Hammer's/J. Champi's methodology emphasizes the business processes that are focused on creating value for the customer; T. Davenport's methodology involves consideration of those business processes that are

not tied to the client; R. Manhaneli's/M. Klein's methodology leads the relationship of business processes with the strategic goals of the company; "Kodak" methodology focuses on the practical implementation of business process reengineering at the enterprise; domestic scientists A. Cherep, C. Potopa, A. Tkachenko pay attention to the study of internal business processes of reengineering considering personnel, resources and organizational enterprise policy; L. Taranyuk proposes X-engineering which focuses on external business processes and promises given to customers.

Since the majority of Ukrainian enterprises currently experience a crisis, reengineering can be a life-saving management tool. Big industrial enterprises have large areas and outdated equipment that makes production more expensive and reduces its quality. It is important for these companies to use not only the reengineering tools but also other methods aimed at optimizing production processes. Thus, downsizing and concentration could be effective reform measures. Downsizing involves the focus on manufacturing a particular product and reducing production processes. Concentration

aims at grouping production in one factory and abandonment of other non-core industries getting their products through external or internal outsourcing.

Generally, the reengineering of production processes using concentration can be considered as an effective anti-crisis strategy for Ukrainian enterprises.