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TO THE PROBLEM OF RISK DECREASE IN SMALL BUSINESS

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Abstract. The article shows the problems of risk decrease in small business which continues to develop rather rapidly at the present moment. Considered are the most important and significant types of risks of small business; mentioned is their influence on effective activity of the enterprise. Discussed are the restrictions of resources that are caused not only by factors of external environment, but also by low qualification of small business representatives and their own mistakes in the course of economic activity. Given are the main methods of risk decrease in the conditions of uncertainty as well as restrictions that define conditions of management of small business environment formation. The assessment mechanism that considers investments into finance is analyzed.

Keywords: risks; small business; decrease of risks; regional economy.

Actual problems of regional development of small business have recently become an object of intensive research of many economists, public figures and businessmen. The mechanism of development and support of small business, apparently, is predetermined at all levels of public administration, but the economic terms which have been developed at the moment are dictated by the new directions of development of the system of the state support and development of business in regions [1].

Small business in Russia continues to develop rapidly now. There is a set of programs of financial support of small business. However any activity has probabilistic character. Therefore, in the conditions of market economy risk is an inevitable element of business as its indispensable condition is

freedom of search and choice of ways of economic actions at their variety. We will consider the most important and significant types of risks of small business and analyze their influence on effective activity of the enterprise.

The main *restrictions* that define conditions of management of small business environment formation are caused not only by factors of external environment, but also by low qualification of small business representatives and their own mistakes in the course of economic activity. Internal factors in formation of small business environment include the following restrictions of resources:

- restriction in the ratio "need and sufficiency of resources",
- compliance of the available educational and qualification level of representatives of small business and their

employees to the necessary level of knowledge,

- lack of necessary organizational abilities and business qualities as well as inability to work collectively and to select personnel.

The important task of all businessmen in the conditions of uncertainty is the assessment and decrease of risk. The main methods of this reduction are:

1) *Diversification* – a way of risk decrease by means of its distribution and division whereas losses by means of profit on other investments are compensated.

2) *Risk joining* – the method directed to decrease risk by transformation of casual losses into small constant expenses.

3) *Obtaining more information* on possible options of the choice and results.

Information support is the most universal way as existence of information allows reducing uncertainty of future events. This way can be used for realization of risk decrease means [2].

It should be noted that despite universality and efficiency of this method, its application has a number of restrictions:

- objective impossibility of obtaining information on future development of object of investments;

- insufficiency and inauthenticity of information due to the need of preservation of a trade secret;

- lack of information, so far as it concerns new types of business;

- excessively high costs of acquisition of such information;

- a time gap between the moment of acquisition of information and the moment of its payback;

- total or partial loss of value of information in connection with instability of a social and economic situation.

Analysis of risks of small business has to be followed by their assessment; at the same time the assessment mechanism, first of all, considers investments into finance, though branch features of activity of the companies or feature of the production cycle aren't considered. Development and use of multiple-factor model of calculating risk will help to reveal influence of various factors on possible risks. This model is capable to show a share of various factors in total amount as well as to reflect change of shares during the different periods of social economic development of the country [3].

Business is impossible without risk. Strengthening of risk is, as a matter of fact, the other side of freedom of an enterprise, a peculiar payment for it. To survive in the conditions of the market relations, it is necessary to introduce technical innovations and uncommon actions that strengthen the possibility of risks. Evidently, businessmen shouldn't avoid risk, but learn to estimate its degree and operate risk to reduce it [4].

In conclusion we would like to note that despite all problems of small business development this branch is the most popular, and businessmen create their own methods of risk decrease thereby limiting themselves from losses as small business is a basis of functioning of market economy.

Therefore, it is required to deeply analyze this sphere of activity, to exclude all possible shortcomings and to develop new programs of small business support by various methods, not

only by financing. Thus, on the one hand, investment into small business will bring effective development of branches of economy and, on the other hand, will stimulate the growth of small enterprises. All this requires regional concretization and specification of measures for creation of the system of social guarantees and mechanisms [5].

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