

# Restructuring and reengineering of organizational and economic mechanism for rail transport

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## Abstract

The article discusses the restructuring of railway undertakings. Identify the features of the restructuring process management systems of railway undertakings. It is proposed to use reengineering methodology for the management restructuring of railway undertakings.

*Keywords:* restructuring, reengineering, railway transport

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## 1 Introduction

Nowadays the state-level reform process needed for rail transport, the development of competitive market of transport services: accelerate the modernization of production and technical base, liberalization in pricing, development of new approaches in innovation and investment policy, including attracting foreign and domestic private capital in the form of joint ventures, leasing, continue and accelerate the integration of transport system of Ukraine to European and global transport systems based on the principles of European transport policy, adapting national legislation to international transport and customs law; alignment to international standards, specifications, technical, operational and environmental requirements in the field of transport.

## 2 Main part

The analysis of world and domestic practice of reforming railway transport points to the need consideration of these features, including:

- 1) signs of natural monopoly, will always be inherent in the businesses and organizations in the industry;
- 2) the possibility of widespread use of the potential benefits of the corporate form of ownership (first, it is to combine various capital, that will allow to reduce the number of economic risks; in - the second, it is the union of capital, skills, knowledge and ideas)
- 3) the ability to use a wide combination of different forms of corporate associations
- 4) the need to use different forms of control institutional, management and operational levels by the state for the use of strategic resources

- 5) the possibility of monopoly profits, which can be used as an incentive, that is the driving force of innovation and reward for innovation;
- 6) the impact of the infrastructure on railway development and possibility second species transport;
- 7) the presence of preconditions for restructuring based on reengineering, which will enable:
  - first, to identify the main business - processes and create for them an information base;
  - in - the second, to assess the situation, prospects disadvantages of business associations, services, directorates;
  - in - third, a transparent system of financing, management and pricing;
  - by - fourth, introduce modern technologies of information, that will increase the flexibility of the industry and its competitiveness;
  - fifthly, to introduce balanced scorecard system that is widely used by the public sector services.

## 3 Conclusions

The main advantage of corporate restructuring based reengineering lies in, it forms discipline the process of implementing the strategy and specifies its goals through indicators, targets and initiatives in four key perspectives: customers, internal processes, finances, learning and growth. Also in the process of corporate restructuring management rail have more opportunities for the implementation of EU directives, gains and reengineering facilitate their practical implementation. In our opinion, reengineering as one of modern management contains a complete methodology changes internal parameters management system and its elements and corporate restructuring - external parameters.

## References

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