

Implementation of crisis management model, as a measure to overcome the business crisis, is a must and a good practice in dealing with the acute crisis of the mining sector of EPS and particularly Kolubara basin. Presenter and co-author of the paper, Professor. Dr. Vladimir Pavlović said that the biggest crisis of Kolubara coal basin and the primary problem was the lack of a good strategic plan. The paper by Pavlović V., D. Ignjatović, T. Šubaranović, D. Laković was presented at the Sixth International Conference on Coal, held at Zlatibor from 2<sup>nd</sup> to 5<sup>th</sup> October 2013.

In Electric Power Industry of Serbia, as the mainstay of electricity production in Serbia, about 65% of its annual production is based on lignite, of which over 75% is Kolubara lignite, while the rest comes from Kostolac mining basin. Of the total coal production, over 90% is used for power generation, and in this sense, the development of coal mining in the mining basins of EPS is inextricably linked to the strategic planning and implementation of development of Kostolac and Kolubara coal basins. In this analysis of symptoms, causes and effects of the EPS mining companies crisis, only internal factors are assessed, since they are predominant when it comes to mining companies in Serbia.

The authors have presented an analysis of the occurrence of business crisis situations and the case analysis of the business crisis in the mining companies of Electric Power Industry of Serbia. Symptoms, causes and stages of strategic crisis in the mining companies of EPS were also presented, and the authors offered possible ways and measures to overcome the business crisis in these companies.

Business crisis situations are closely related to the necessary changes in the particular stages of the mining company development. Companies need not only pay attention to all the changes in the internal and external environment, but must also give an adequate response thereto. The passivity of the company towards changes can get the company into troubles, which to a greater or lesser extent can threaten the business continuity and survival. The most common problems are over-indebtedness, insolvency and non-profit business. Managing the resource potentials and their predictable situation are the prerequisites for reducing the risk of a crisis in the business. Thus, the crisis business situations always occur at the strategic level and if they are not being responded in a timely manner, they are reflecting down to the operational level, but at that time, the crisis has already advanced.

When it comes to MB "Kolubara" and TPP "Kostolac", strategic crisis has significantly affected the Kolubara mining basin. EPS itself (mining sector) is affected by the strategic crisis. The consequences of this situation in Kolubara basin are reflected primarily in the state of development of coal mining in the eastern part of the basin, where very severe problems exist related to expropriation, relocation of infrastructure, and all open pit mines development, some of which are now in the worst business crisis. Also, in Kolubara basin, a large-scale exploitation in the eastern part of the basin has been conducted for many years,

where the coal is significantly better compared to the western part of the basin. This results in an unbalanced exploitation of coal from the viewpoint of the entire basin coal quality. The authors of this paper distinguish a potential, latent and acute phase of the business crisis. As for Kolubara basin, the crisis is in the acute phase, which is the business crisis highest stage, when it is necessary to identify the crisis and to implement reactive management to overcome the crisis.

Given the backlog in solving the acute - technical problems, it is necessary carry out the following activities, in a very short period of time: to make a clear program of coal exploitation in EPS based on strategic programs of Energy Strategy of the Republic of Serbia and the Strategy of Coal Resources Management; resolve the status of the coal sector within EPS; revitalize and modernize the existing mining equipment, install unique information - supervision - control systems to monitor excavation and control of the coal quality; timely implement the approval of annual plans of PE EPS production, as a prerequisite for the safe and efficient maintenance and overhaul of equipment.

In conclusion, the authors point out that before a decision is made on the application of an appropriate model for overcoming the crisis (Strategy to overcome the crisis), it is required to introduce crisis management as a model of business system management, aiming at establishing such a system in a business environment that requires and also provides quick and concerted action of all business system levels.

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