The rapid development of the market economy has higher requirements for enterprises. If enterprises want to stabilize their position in the fierce market, they must undoubtedly actively deal with various risks faced by enterprises in the process of operation, especially the investment risks of enterprises. For enterprises, risks and opportunities often come from the same industry. Only by better dealing with risks can they seize opportunities faster and win development. Therefore, the operators of enterprises should always be prepared to deal with risks, quickly find the causes of investment risks, and then take measures in advance. This paper first gives an overview of enterprise investment risk, including the definition and identification of investment risk, then emphatically analyzes the causes of enterprise investment risk, and finally puts forward several countermeasures to actively deal with enterprise investment risk, hoping to have reference significance for enterprise investment and development.

Key words: enterprise risk management, investment risk, risk causes and countermeasures, investment development, systematic review.
**Formulation of the problem.** In short, investment is an economic behavior, which mainly refers to the capital operation behavior of economic entities to achieve specific interests. In order to obtain the expected income that is proportional to the investment risk, and then achieve the appreciation of capital and the increase of wealth. In contrast, the risk of investment refers to the accidents and losses that may occur in the operation of its funds. In this way, the investment risk is also a kind of risk operation, which mainly refers to controlling the expected rate of return of the enterprise’s investment to make it reach the corresponding stable value. Only under the premise of the unity of risk and benefit can investment behavior be effectively regulated.

**Analysis of recent research and publications.** Venture capital, VC for short. In a broad sense, venture capital generally refers to all investments with high risk and high potential income; In a narrow sense, venture capital refers to the investment in the production and operation of technology-intensive products based on high-tech. According to the definition of the American Association of Venture Capital, venture capital is a kind of equity capital invested by professional financiers into emerging, rapidly developing and highly competitive enterprises. Venture capital is a new "product". For China, venture capital in China has just started, is still in the learning stage, and its development is quite immature. The venture capital market is not yet sound. And the theory and method of risk investment project evaluation and analysis in China is still at the stage of exploration while practice. In terms of theory and method, China’s risk investment evaluation is not as mature as that in Europe and the United States, which aspects should be evaluated for risk investment, what methods should be adopted for evaluation, and what kind of people or institutions should be used for evaluation. In these aspects, China has not formed a complete theoretical method system. The research on this aspect has not achieved a satisfactory result.

This paper refers to some scientific papers on venture capital, such as "Risk Management and Insurance" co-authored by Arthur Williams Jr. and Richard M. Hans Jr., "Risk, Uncertainty and Profit" written by American economist Knight, and "Portfolio Selection" published by Markowitz in the Journal of Finance. This paper uses the expected return and mean square deviation of risky assets to study the return and risk of portfolio, which is regarded as the starting point of portfolio theory.

**Unresolved parts of the common problem.** More and more enterprises begin to attach importance to investment risk management, but some problems are still unsolved. For example, the risk grading system and the current risk supervision mechanism cannot identify which are major risks. Risk early warning is also a difficult problem. At present, the most advanced risk early warning system can only give early warning four months before the risk occurs. How to respond in a timely manner is also a problem that continues to be solved.

**The purpose of the article.** The purpose of this paper is to help enterprises attach importance to investment risk. Comprehensive risk management can help all enterprises, regardless of their size or objectives, to comprehensively and systematically identify, measure, rank and deal with the risks that may cause them to deviate from corporate objectives. The overall goal of an enterprise to establish a comprehensive risk management system is to provide reasonable assurance for the enterprise to achieve its business objectives, and control the enterprise’s risk within the scope determined by the enterprise strategy. In other words, comprehensive risk management can help all enterprises, regardless of their size or objectives, to comprehensively and systematically identify, measure, rank and deal with the risks that may cause them to deviate from the enterprise objectives.

**Presenting main material.** Venture capital refers to the behavior of investing in unlisted enterprises in the form of equity capital, providing management and operation services, supporting the future development of the enterprise, and collecting long-term investment income through equity transfer after the enterprise is relatively mature.

Considering venture capital theory necessary to note direction:

1. **Identification of risks in venture investment projects.** The risks of venture investment projects are composed of systematic risks and non-systematic risks. Systemic risk is also known as non-dispersed risk, that is, it cannot be dispersed through diversified investment. It is related to the macro environment of the whole market and is also faced by all participants, such as policies and regulations, economic cycles, inflation, etc. Non-system risk is also called dispersion risk, which is divided into technical risk, management risk, market risk and financial risk.
   - Technical risks are embodied as follows: the uncertainty of technological research
and development success, the uncertainty of technical prospects, and the uncertainty of product production and after-sales service.

- Management risks are mainly manifested as: awareness risk, decision-making risk, organizational risk and personnel risk.
- Market risks are mainly manifested as: the uncertainty of market acceptance ability, the uncertainty of market acceptance time, and the uncertainty of product competitiveness.
- Financial risks are mainly manifested as: the uncertainty of the financial situation, the rationality of the required planning of the investment funds, and the uncertainty of the credit standing.

2. Risk assessment in venture capital projects

The risk assessment in risk investment projects is mainly to analyze the probability of future risks and estimate the loss and harm degree caused after the occurrence of risks. Its purpose is to effectively evaluate the probability and consequences of risks to reduce the uncertainty on the basis of a comprehensive understanding of risks, scientific prediction and planned response.

Cause analysis of enterprise investment risk include next steps:

1. The management lacks risk prevention awareness. Enterprise leaders are not aware of the importance of risk. Some units are not equipped with risk management departments at all and have not formulated internal control systems for risk management. There are risks in the production and operation process of enterprises, so risk management should also exist in every stage of enterprise operation. The corresponding risk identification, assessment and early warning system should be established in the decision-making process of project investment, project construction and project completion.

2. Improper decision-making of enterprise project investment. The managers did not realize the existence of risk factors in the decision-making process, which led to project decision-making errors. For example, if the feasibility of the project was not fully studied, some feasibility study reports were just ostentatious. There is no comprehensive demonstration of the economic and social feasibility, no accurate calculation of the investment cost, the cost after the completion of the project construction and the economic benefits that can be obtained. Some people, in order to achieve the purpose of the project, arbitrarily change various basic data and judge the process according to the calculation results. Some projects are not supplemented with relevant data until they are clearly constructed, resulting in incorrect operation sequence.

3. Pay no attention to the management of cash flow. Enterprise cash flow plays a very important role, but for a long time in the past, the assessment of managers was only based on the enterprise income and profit indicators, without paying attention to the assessment of cash flow indicators. In actual operation, the reason why some loss-making enterprises can exist for a long time may be that they do not need to pay cash depreciation and amortization. For enterprises with insufficient cash flow, although there are high profits in the statements, if there are too many receivables, the working capital will not be able to maintain operation, causing financial difficulties, and the payment crisis will occur immediately.

Risk prevention methods in venture investment projects includes next steps:

1. The formulation of venture capital strategy.

With the trade-off between investment risk and return, the correlation between high return rate and high risk is extremely high. Therefore, in the risk prevention, the appropriate investment portfolio can be adopted to avoid the uncertainty caused by the high risk as much as possible, such as specialization, phased and diversified choices. The professional investment strategy is mainly reflected in the concentration of certain specific industries and investment regions. Because the understanding of specific industries can help enterprises to better accumulate knowledge and experience, it improves the accuracy of the early evaluation of investment and brings convenience to the later management. Failure rates also decrease with the experience curve, and an institution's ability to avoid failure comes from similar investment managers. Phased investment means that if the enterprise does not reach the expected goal, the investor can stop the continuing investment in the enterprise. Phased investment is an effective way to avoid problems and improve decision-making efficiency. On the one hand, the phased investment reduces the opportunistic behavior of entrepreneurs, but it also effectively encourages entrepreneurs to pay more attention to the long-term development curve of the product and adjust the product adaptability with the market as a guide. Joint investment refers to at least two or more insurance investment institutions jointly investing in the same entrepreneurial
enterprise within the same investment time. These enterprises may prefer different investment methods to achieve the combination of capital and resources. With the cooperation of multiple institutions, the injection of knowledge and resources has enriched the endowment of the invested enterprises. Accordingly, the more institutions participate in joint investment, the more information they have, the more they can monitor enterprises.

2. Entrusted issues in venture capital.

In venture capital, there is a very typical entrustment-relationship between the investment institution and the invested enterprise, which produces costs due to the information asymmetry between the two. However, the ability and efforts of the invested enterprise make the key to determine the success or failure of the investment institution. In the case of information asymmetry, due to adverse selection, enterprises with insufficient capabilities are most likely to obtain investment, while those with more similar capabilities generally retain projects with higher profit prospects. However, after enterprises get venture capital, they may be lazy or choose some projects that are conducive to personal income, so their behavior is not completely consistent with the interests of shareholders, and they may continue to operate those projects with negative net present value. To solve the entrustment problem, it is first necessary to build a professional team to supervise the enterprise, emphasize the absolute disclosure of information, prevent the short-sighted behavior and passive state of enterprises, and timely deal with and adjust the problems after they are found. Again, a long-term incentive mechanism is implemented for the management and employees of the enterprise, and the development of the enterprise is linked to its performance. The method of employee stock ownership is conducive to mutual supervision among employees, and forms effective cooperation and supervision among all employees to jointly have a higher level of information flow.

Conclusions. Risk management is a dynamic process of the whole life cycle, which is closely combined with the four stages of management, namely, the start, planning, implementation and end stages, and infiltrates into the whole process of the life cycle. Effective risk management in enterprises can promote the scientific and rational decision-making of all units, reduce the risk of decision-making, provide a safe operating environment for enterprises, ensure the smooth realization of enterprise business objectives, and promote the improvement of enterprise business efficiency. From both the theoretical and practical point of view, bold innovation, exploratory and appropriate use of risk management theories and methods has become a focus of attention, and is of great significance for improving enterprise management level, strengthening security and creating better economic benefits.

REFERENCES: