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# Liudmyla M. Hanushchak-Yefimenko *Kyiv National University of Technologies and Design, Ukraine* EFFECTIVE STRATEGIES FOR ENTERPRISE BUSINESS PROCESS MANAGEMENT IN RURAL AREAS

The article provides insights into business process management of rural enterprises. The study substantiates the main factors affecting management efficiency and provides rationale for the degree of each of the impact factor that allows to held profitability control and timely respond to changes in market environment. Based on the review of modern performance assessment methods, the findings demonstrate their diversity resulted from different goals in efficiency evaluation (evaluating changes in time, structure, etc.), as well as the heterogeneous nature of the system elements to be evaluated. Following the logic of management decision-making process, the study suggests the key areas for effective business process management at rural enterprises. It is argued that the implementation of the selected strategic vectors will facilitate a reasoned distribution of discrete management functions taking into account the correlation of enterprise costs at different management level along with contributing to settling the technological sequence of operations and assigning them to particular managerial staff. While developing the specific management vectors, the typical functions to meet business processes management needs at rural enterprises in Ukraine have been selected to be applied in practice. The research conclusions offer the following generalizations: the implementation of the key four management process functions is a cyclical process; given the results of control, a new plan is formed, and within the new management process cycle, all functions are preserved. A pathway to effective business processes management at rural enterprises is implementation of an integrated approach which involves the assessment of the set of selected indicators, both quantitative and qualitative, i. e. absolute and relative ones, respectively.

*Keywords: efficiency; business processes; management; rural areas; management functions; planning; organization; motivation; control.* 

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# Київський національний університет технологій та дизайну, Україна НАПРЯМИ ЕФЕКТИВНОГО УПРАВЛІННЯ БІЗНЕС-ПРОЦЕСАМИ ПІДПРИЄМСТВ СІЛЬСЬКИХ ТЕРИТОРІЙ

У статті проаналізовано результати дослідження в частині управління бізнеспроцесами підприємств сільських територій. У процесі дослідження обґрунтовано основні фактори ефективності та ступеня впливу кожного з них на процес управління, що дозволяє контролювати рівень прибутковості та вчасно реагувати на зміни кон'юнктури. За результатами аналізу існуючих методів оцінювання ефективності, сформовано висновок про їх різноманітність, що обумовлено різними цілями проведення оцінювання ефективності (оцінювання змін у часі, у структурі тощо), так само як і різнорідністю елементів систем, що належить оцінити. З урахуванням етапів розробки і ухвалення управлінських рішень сформовано напрями ефективного управління бізнес-процесами підприємств сільських територій. Використання в практиці сформованих векторів дасть можливість обтрунтовано розподілити конкретні функції управління з урахуванням кореляції витрат підприємств та їх розміру на рівнях управління, визначити технологічну послідовність операцій і закріпити їх за конкретним управлінським персоналом. Під час формування напрямів управління за основу обрано класичні функції, які є доцільними й необхідними для бізнес-процесів підприємств сільських територій України. Доведено, що реалізація чотирьох ключових функцій процесу управління являє собою циклічний процес; за результатами контролю формується новий план, і в новому процесі управління всі функції зберігаються. При визначенні векторів ефективного управління бізнес-процесами підприємств сільських територій встановлено, що необхідним є використання комплексного підходу, що передбачає розрахунок визначених кількісних і якісних показників, абсолютних та відносних, відповідно.

*Ключові слова:* ефективність; бізнес-процеси; управління; сільські території; функції управління; планування; організація; мотивація; контроль.

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В статье проанализированы результаты исследования в части управления бизнеспроцессами предприятий сельских территорий. В процессе исследования обоснованы основные факторы эффективности и степени влияния каждого из них на процесс управления, что позволяет контролировать уровень прибыльности и своевременно реагировать на изменения конъюнктуры. В результате анализа существующих методов оценивания эффективности сформирован вывод об их разнообразии, что обусловлено различными целями проведения оценивания эффективности (оценивание изменений во времени, в структуре и др.), а также разнородностью элементов систем, которые предстоит оценить. С учётом этапов разработки и принятия управленческих решений сформированы направления эффективного управления бизнес-процессами предприятий сельских территорий. Использование в практике сформированных векторов позволит обоснованно распределить конкретные функции управления с учётом корреляции расходов предприятий и их размера на уровнях управления, определить технологическую последовательность операций и закрепить их за конкретным управленческим персоналом. При формировании направлений управления за основу выбраны классические функции, которые являются целесообразными и необходимыми для бизнес-процессов предприятий сельских территорий Украины. Доказано, что реализация четырёх ключевых функций процесса управления представляет собой циклический процесс, по результатам контроля формируется новый план, и в новом процессе управления все функции сохраняются. При определении векторов эффективного управления бизнес-процессами предприятий сельских территорий, установлено, что необходимо использование комплексного подхода. предусматривающего расчёт ряда количественных и качественных показателей, абсолютных и относительных. соответственно.

*Ключевые слова:* эффективность; бизнес-процессы; управление; сельские территории; функции управления; планирование; организация; мотивация; контроль.

**Statement of the problem** The state of development of rural areas today indicates mainly the inadequacy, and sometimes the lack of general, methodical and purposeful work by the state and local authorities on the formation of an economically healthy situation in the countryside. This is evidenced by a number of problems that exist today in the countryside:

- economic problems (industrialization of the agricultural sector, which leads to the dismissal of workers, low wages, low skills)

- social and household (lack of normal infrastructure, qualitative inconsistency or lack of services)

- demographic (aging population, outflow of youth and eventually the disappearance of villages).

Most of these problems have only worsened since Ukraine joined the World Trade Organization. The revival of the rural economy is one of the common problems, because it can provide the accumulation of significant labor potential that can ensure the production of vital resources for society.

Analysis of recent publications on the problem of effective management of business processes of rural enterprises, its essence, directions, mechanisms and tools of implementation have dedicated their research to such domestic scientists as: Z.S. Varnalii, L.I. Vorotina, Ya.A. Zhalilo, V.K. Zbarsky, D.V. Liapin, Yu.O. Klochko, O.V. Kuzhel, Y.S. Sytnyk, T.S. Smovzhenko, C.M. Sobol, Y.M. Petrovich and many others. Most scientists study the theoretical foundations and applied aspects of business process management of rural enterprises; the place and role of small forms of management in solving employment and development of rural areas. But the issues of forming a holistic system of business process management of rural enterprises, development of effective organizational and economic mechanisms for its activation at the regional level remain insufficiently developed.

Unresolved parts of the study In recent years, there has been a decline in production in the agricultural sector: a sharp decline in the number of operating enterprises, sown areas, livestock, the number of tractors, combines, other equipment, destroyed social infrastructure. All this has led to a sharp decline in production, reduction of jobs in rural areas, reducing the efficiency of the sector as a whole.

The purpose of the study is to substantiate the areas of effective management of business processes of rural enterprises.

The main results and their justification. When forming a business process management system, the entrepreneur must realize that his future activities will take place inside and under the influence of the so-called environment, which means a differentiated structure consisting of external (near and far) and its own internal environment.

The external environment includes all the forces and contact audiences that the company encounters in its daily and strategic activities. Literally everything that influences decision-making in the process of activity can be included in this concept. The environment is never stable. And of course, every company must not only know its environment and its nature of change, but also be able to respond to these changes: failure to adapt to the environment will result in a failed business in general.

To identify environments, it is necessary to determine which factors are most important in terms of influencing the position of the enterprise, and how often they exert their influence.

First of all, it is necessary to consider purely economic factors (consumer income, interest rate, exchange rate, unemployment rate), and then, as well as ancillary (or secondary) social, legal, technological and political factors that form the environment.

According to the characteristics due to the breadth and frequency of impact on the firm, the external environment is divided into: the environment of the immediate environment; remote enterprise environment.

Because business process management is defined as an internal system, the company's immediate environment consists of consumers, suppliers, labor markets, financial institutions, competitors and investors. The main (general) environment, on the other hand, consists of forces that appear from time to time. The parameters of this environment are influenced by social, cultural, demographic, environmental, legal and technological. According to another distribution (functional), the state of the external environment is divided by their nature, hence the external environment is divided into social, economic, political and technological. When dealing with each of them, we must understand the essential difference between the immediate environment and the general environment. Therefore, the first classification does not contradict the other, and is chosen

based on the task of studying the environment of the firm in general, For these purposes, we propose, given the recommendations, to consider the environment in which the firm operates as part of the microenvironment and macroenvironment. unites more distant forces and external to the firm. Consider the immediate environment of entrepreneurial activity, taking into account two main points: the organization of business and the environment in which it operates; decision-making process within the production system. The internal environment of the firm, in which specific business decisions are made, is interpreted as universal, regardless of the form of organization of the firm. It integrates all functional environments within the production system. The internal environment consists of various components according to the functional areas common to all types of enterprises. The environment acts as a spectrum of some limitations and opportunities at the same time. Consumer demand as part of the external environment affects the firm's ability to achieve the planned target values of profits and sales. Technological innovations for marketing purposes may be limited by resources (both human and purely productive), and, on the other hand, can create conditions for changing the market position of the firm, etc. Thus, the microenvironment of the firm, which is interpreted as a range of functional structures, makes decisions about the activities of the enterprise in terms of its influence on the forces of the immediate environment. The generators of these forces are suppliers, consumers, labor, financial institutions, competitors and investors. The company is in constant contact with these forces and therefore must know what is expected from the limiting influences, and how they can be overcome or changed in connection with their basic concepts of the firm in the chosen mission. Suppliers are a whole group of organizations of various nature and individuals involved in the process of logistics of production and scientific and technical activities of the firm. Serious restrictions on the part of suppliers can be: the price of material resources, the quality of goods supplied, services and raw materials, terms of delivery. Consumers are divided into several groups, which differ in nature: these are the forces that are in the chain of promotion of goods to the final consumer, including himself. Let's name the main components of the broad concept of "consumer":

1) individuals and households receiving goods for personal consumption, as well as enterprises and organizations that consume goods for industrial use;

2) intermediate sellers (intermediary organizations), state and public organizations that receive goods for use in accordance with the scope of activities;

3) all other buyers (united together in one group), legal or located outside the country. From here, marketing intermediaries can be assigned to a separate group. Competition, as a force that affects the microenvironment of the enterprise, the concept is also very broad and has, perhaps, one of the strongest influences on the decision-making process. The forces of the external microenvironment of the enterprise, respectively, also include a variety of "contact audiences", which also influence decision-making in the microenvironment through a variety of interests in the activities of the firm. This group of forces includes:

- financial circles that provide the company with capital (banks, investment companies, brokerage firms, investors);

- mass media (advertising agencies, newspapers, magazines, radio and TV stations),

- state foundations that deal with the supervision and regulation of production activities, as well as those state foundations, the activities of which may somehow affect the activities of the firm;

- public organizations, civil groups of public opinion, etc.;

- local contact audiences (communities, religious organizations, etc.);

- own employees and workers, who also have their own opinion and judgments about the activities of the enterprise and can both positively and negatively affect the company's ability to achieve its goals.

The enterprise forms the purpose, studying also certain conditions and a condition of the remote external environment that we conditionally called the macroenvironment. The company's ability to meet needs depends on many real factors and events of the macroenvironment, which primarily makes its adjustments to the system of resources needed to fulfill the company's mission, determines the parameters of the production system. The macroenvironment affects the desired horizons of the firm both indirectly, through the microenvironment discussed by us above, and directly, interfering in market relations, which is mainly dictated by positive intentions to regulate the market and relations between its actors. Here are some characteristics of the main external remote environments that must be taken into account when forming the mission of the firm. First of all, the company should be interested in the state and development of the socio-demographic structure of the consumer environment and the country as a whole. Structural composition and changes (both actual and projected) can affect not only the consumer market but also the labor market. All business organizations work within the legal framework that regulates their behavior and resolves conflicts in terms of the public good. Business relationships are formalized by contracts, the activities of firms are protected by laws that also regulate the work of firms from the standpoint of state institutions. Therefore, before creating a company, you need to study the rights and responsibilities of all participants in business. Knowledge of laws and other legal provisions on the chosen line of business can preclude conflict situations or unexpected discoveries about restrictions in the field of business, or, conversely, additional opportunities. The state and political environment are closely connected with the economic order that has developed in one country or another. In most countries and, in particular, in Ukraine, there is an economic order called "mixed economy". This procedure involves a combination of centralized management of some sectors of the national economy, ensuring the economic security of the country and market relations governing economic activities in other industries In a mixed economy coexist public and private ownership of the means of production. Private enterprises sell goods and provide services in accordance with the needs of consumers through their profit motivation, and the so-called "public" sector of the economy performs its functions, such as social assistance and protection, makes public goods.

Thus, contact with industries and enterprises of the public sector can bring both its benefits and its identified difficulties, mainly related to financing, state-regulated prices, range, etc. Another role of the state in the economy is to act as a regulator, protecting and managing the private sector. This role can take the form of subsidies, tax benefits, legal control over events in the non-regulatory market, regulation of surplus production, interest rates. It is important to remember that most government actions are those that restrict and prohibit, control, and help or support the private sector. The political environment, especially in the developing economy, directly affects the change of the public sphere, which is able to change the parameters of the microenvironment of the enterprise, both external and internal. The additional risk associated with the political climate requires the firm to make a preliminary detailed analysis of both the current and long-term situation in the field of public administration, trends and directions of change. The technological environment in which enterprises operate includes technological opportunities for product production, opportunities for obtaining raw materials and components of appropriate quality, prospects for technological improvements. This environment is of fundamental importance to the firm, especially when entering an existing market. The technological environment, of course, must be studied in terms of limitations, trends and opportunities, but it is here that the firm can find answers to the fundamental questions of its acquisition of its competitive advantages. We are talking about both the proposed product with the appropriate consumer characteristics, and the costs with which the company will have to enter the industry. The economic environment of the firm is a very broad concept, in part, some issues of the impact of the economic environment have already been considered, because: economic relations accompany absolutely all business processes. The economic environment is not at rest, but increases its influence on the sphere of production through its dynamic changes, which can have both negative and positive consequences for firms operating in this environment. Moreover, firms that actively operate, initiate their attempts to influence this environment, have a better chance of long-term success than those that successfully adapt to changing conditions. The ability to manage knowledge and skills in the field of economic relations is not a guarantee of successful business, but does not allow to interpret and analyze trends in the changing economic environment, as well as to make their predictions. Part of the economic environment was attributed by us to the microenvironment of the firm together with the forces of the microenvironment, which is very active and most often come into contact and affects the functioning of the microenvironment of the firm.

**Conclusions.** The state usually tries to relieve the tension of these problems, but its actions are usually trivial in nature and are limited to direct subsidies or subsidies. Therefore, the state, despite the alleged support of the village, has more trouble than the expected profit from its activities. It would be expedient to direct the main efforts of the state to obtain external effects, by forming a positive reputation of the village in society, the formation of appropriate social and economic infrastructure in rural areas, the formation of an entrepreneurial environment in rural areas. In this perspective, the development of entrepreneurial activity in rural areas is able to create a number of existing problems in rural areas in the formation of the appropriate environment and management of business processes.

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