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MANAGEMENT ASPECTS OF BUSINESS DEVELOPMENT

The article examines the management aspects and algorithms for making managerial decisions for business development in modern conditions. The modern concept of management process as a cycle of consistent performance of basic management functions: planning, organization, motivation, communication and control is studied. The necessity of making a managerial decision for business development taking into account risky problem situations is substantiated from the practical point of view. It is determined that the need for management decisions may arise in connection with external circumstances: decisions of higher organization, the need to resolve relationships with cooperation partners, and internal: deviations from production parameters, bottlenecks, identification of reserves, violation of labor discipline. The concept of management decision space is studied and the experience of business owners taking into account the aspects and boundaries of such space is analyzed, and it is proved that each executor of management decision must have the best method of performing management tasks for business development. It is determined and substantiated that the management support of business development is that the management space system should have the same or greater variety and speed of action programs, which corresponds to the possible diversity of environmental influences on the system being managed.

Keywords: *business; business development; business development management; management processes; management space; management decisions; financial and economic activities; planning; forecasting based on management decisions.*

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УПРАВЛІНСЬКІ АСПЕКТИ РОЗВИТКУ БІЗНЕСУ

У статті досліджено управлінські аспекти та алгоритми прийняття управлінських рішень для розвитку бізнесу в сучасних умовах. Досліджено сучасна концепція управлінського процесу як циклу послідовного виконання основних функцій управління: планування, організація, мотивація, комунікація та контроль. Обґрунтовано з практичної точки зору необхідність прийняття управлінського рішення для розвитку бізнесу з врахуванням ризикованих проблемних ситуацій. Визначено, що необхідність прийняття управлінського рішення може виникнути як у зв'язку з обставинами зовнішніми: рішеннями вищої організації, необхідність врегулювання взаємовідносин з партнерами по кооперації, так і внутрішніми: відхилення від заданих параметрів виробництва, виникнення вузьких місць, виявлення резервів, порушення трудової дисципліни. Досліджено поняття простору управлінського рішення і проаналізовано досвід врахування власниками бізнесу аспектів і кордонів такого простору, при цьому доведено, що кожний виконавець управлінського рішення повинен володіти кращою методикою виконання управлінських завдань для розвитку бізнесом. Визначено і обґрунтовано, що управлінське забезпечення розвитку бізнесу полягає в тому, що система управлінського простору повинна мати таку ж саму або більшу різноманітність та швидкодію програм дій, що відповідає можливій різноманітності впливу середовища на систему, якою управляється.

Ключові слова: бізнес; розвиток бізнесу; управління розвитком бізнесу; управлінські процеси; управлінський простір; управлінські рішення; фінансово-економічна діяльність; планування; прогнозування на базі управлінських рішень.

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УПРАВЛЕНЧЕСКИЕ АСПЕКТЫ РАЗВИТИЯ БИЗНЕСА

В статье исследованы управленческие аспекты и алгоритмы принятия управленческих решений для развития бизнеса в современных условиях. Исследованы современная концепция управленческого процесса как цикла последовательного выполнения основных функций управления: планирование, организация, мотивация, коммуникация и контроль. Обоснована с практической точки зрения необходимость принятия управленческого решения для развития бизнеса с учетом рискованных проблемных ситуаций. Определено, что необходимость принятия управленческого решения может возникнуть как в связи с внешними обстоятельствами: решениями высшей организации, необходимость урегулирования взаимоотношений с партнерами по кооперации, так и внутренними: отклонение от заданных параметров производства, возникновение узких мест, выявление резервов, нарушение трудовой дисциплины. Исследовано понятие пространства управленческого решения и анализ опыта учета владельцами бизнеса аспектов и границ такого пространства, при этом доказано, что каждый исполнитель управленческого решения должен обладать лучшей методикой выполнения управленческих задач для развития бизнесом. Определено и обосновано, что управленческое обеспечение развития бизнеса состоит в том, что система управленческого пространства должна иметь такое же или большее разнообразие и быстродействие программ действий, что соответствует возможному разнообразию воздействия среды на управляемую систему.

Ключевые слова: бизнес; развитие бизнеса; управление развитием бизнеса; управленческие процессы; управленческое пространство; управленческие решения; финансово-экономическая деятельность; планирование; прогнозирование на основе управленческих решений.

Problem statement. The decision-making process, as a rule, is a stage of volitional action, implemented within the framework of a complex volitional act. A volitional act, being present in every decision, from the information-logical point of view, turns the descriptive information into prescriptive.

The instructions that each decision contains give a purposeful nature to the activity of the subjective factor in changing reality, increase the efficiency of work on managing social processes and phenomena. At the same time, it must be taken into account that volitional processes are always complicated due to the action of emotional factors, motivation and attitudes.

Decision-making processes depend on many factors that are not so easy to establish, so finding out the behavior of the manager who makes this or that decision is of considerable interest.

Analysis of recent research and publications. One of the founders of modern management, Henri Fayol, noted: "Management is foresight", and "to foresee is almost to act". Indeed, economic projects and agreements aimed at making a profit or increasing the profitability of conquering the market require previous reflection in the form of a forecast or program of action, which are the basis of the design and reliability of obtaining the desired result [1]. The latter is explained by the fact that the price of a potential loss from making unreasonable decisions is growing many times today.

Previously unresolved parts of the study. In the management process, managers, for many reasons, are not able to make optimal decisions and are forced to act in conditions of uncertainty and risk. There are three main reasons that hinder the adoption of such decisions:

- the real goals of management are complex and it is often practically impossible to reduce them to unambiguously measurable quantitative criteria for choosing the best solutions;

- the objectively existing set of alternatives for achieving goals is much larger than the set of alternatives that is known to the leader and which can be covered by him when making decisions. Due to the conservatism of thinking, for various reasons, a number of alternatives are deliberately excluded from consideration;

- information, computing, analytical and other capabilities of enterprises and individual managers are almost always very limited compared to the flow of real management problems, which reduces the possibility of developing optimal solutions.

From the standpoint of the normative theory of decision-making, these causes appear as temporary difficulties that can and should be dealt with. From the standpoint of behavioral theory, decision making is a reality that is always present in enterprises.

The purpose of the study is follow-up on management aspects of business development security.

Presentation of the main results One of the theories explaining people's behavior, in particular decision-making behavior, is the theory of competence, which determines what are the real reasons for people's behavior and what factors influence the decision-making process. It is possible to single out two extreme positions in the psychology of decision-making: only from the personality of the leader, then the task of selecting people with appropriate individual qualities is put at the forefront. If the enterprise believes that decisions are mainly determined by the external and internal environment, then the focus is on creating such organizational structures that would force the manager to make rational decisions [4].

Taking into account the originality and uniqueness of decisions and based on the analysis of world management experience, a number of factors can be identified that influence the process of making a rational decision in market conditions:

- concentration (of forces, means, conditions or circumstances in time and space);
- acceleration (processes, conditions, events);
- disinformation (distraction, surprise, unforeseen events);
- personality traits (individual psychological – temperament, character, emotions, will, thinking).

Decision-making is a creative process, since it is a symbiosis of scientific, professional knowledge with art. The leader must be well versed in modern decision-making methods, so as not to turn from a decision-maker into a signer of papers prepared by subordinates. Knowledge of scientific theory and methods of managerial decisions increases the efficiency and effectiveness of work, and also allows the manager to optimize both his own activities and work.

In modern conditions, it is legitimate to consider decision-making as a means for implementing the entire set of management functions, thereby emphasizing the need for scientific validity of any managerial impact.

An analysis of the process of preparing and making decisions shows that certain types of decisions have some common characteristics, which allows them to be grouped into separate classes according to the relevant characteristics. The classification of decisions makes it possible to develop standard methods and techniques for their implementation, to automate the processes of their preparation and adoption.

The most common classification feature is the levels of management. On this basis, decisions are made at all three levels of enterprise management. For example, decisions on the

formation of strategic (perspective) plans are made at the highest level. Decisions of operational (current) production plans are distributed to the middle level, i.e. divisions and services of the enterprise. The same decisions as the redistribution of work in connection with the failure of equipment or the lack of appropriate materials, belong to the competence of the lower level, i.e., specific departments.

In the scientific literature on management there is no unambiguous opinion about the composition and content of the elements of the decision-making process. At the same time, with all the variety of approaches to identifying the main stages, the following main steps for their preparation and adoption can be distinguished: defining the goals of the enterprise → identifying and studying the problem → making a diagnosis → searching for a solution to the problem → evaluating all alternatives and choosing the best one → agreeing on solutions → approving the decision → managing the implementation of the solution → checking the effectiveness of the solution.

The classical approach to making managerial decisions is to follow a certain procedure and perform mandatory actions: problem statement; identification of limitations and identification of alternatives; decision-making; implementation of the decision.

From the point of view of the author, the algorithm for making a managerial decision is rational, consisting of successive operations (stages, steps, actions) (Fig. 1) [2].

The stages of managerial decision are as follows: assessment of the problem situation; setting the conditions of the problem; analysis of factors affecting the condition of the problem; choice of model and methods for solving the problem; selection of solutions; selection of the optimal solution; bringing attention to performers; control over the implementation of the decision. Each of the stages consists of two stages, the management decision includes eight stages, and each stage consists of two to three steps.

The central place in the activities of the head is occupied by the solution of problems that arise in the management process. Therefore, he must comprehend them and find ways to solve them. Considering also the fact that the leader is quite often limited in time, a belated decision becomes tantamount to an error and can lead to an even greater complication of the problem situation, and sometimes to a partial or complete disruption of the controlled system. In this regard, of particular importance is the need to use a tool based on computer technology, which helps to obtain reasonable reports on the data being studied in a short time.

However, in practice, the solution of these problems is associated with a number of problems. So, when building forecasts, one of the common problems is the presence of an insufficient amount of information on the basis of which one or another forecasting method should be applied. The system of operational collection and updating of information is not used at many enterprises; for analysis and forecasting, as a rule, they take balance sheet data for 1–2 quarters, rarely for several years. This situation leads to the fact that when making forecasts, simple forecasting methods and so-called “naive models” are used.

To obtain operational or short-term forecasts, this option can still be considered relatively acceptable, because the objectivity and accuracy of such forecasts is low. If we are talking about the formation of an enterprise strategy, then it is simply incorrect to use such methods. More complex methods are needed that take into account the analysis of the specifics of the dynamics of certain indicators, the presence and strength of the influence of a group of possible factors. The use of time series analysis methods (trend detection, obtaining moving average models, autoregression models, etc.), correlation and regression analysis requires a sufficient amount of information, and therefore primary, non-aggregated data by months or quarters for several years, accounting auxiliary information that may be useful for analyzing the influence of factor signs for compiling predictive models. In addition, when building and choosing the financial strategies of an enterprise, it is

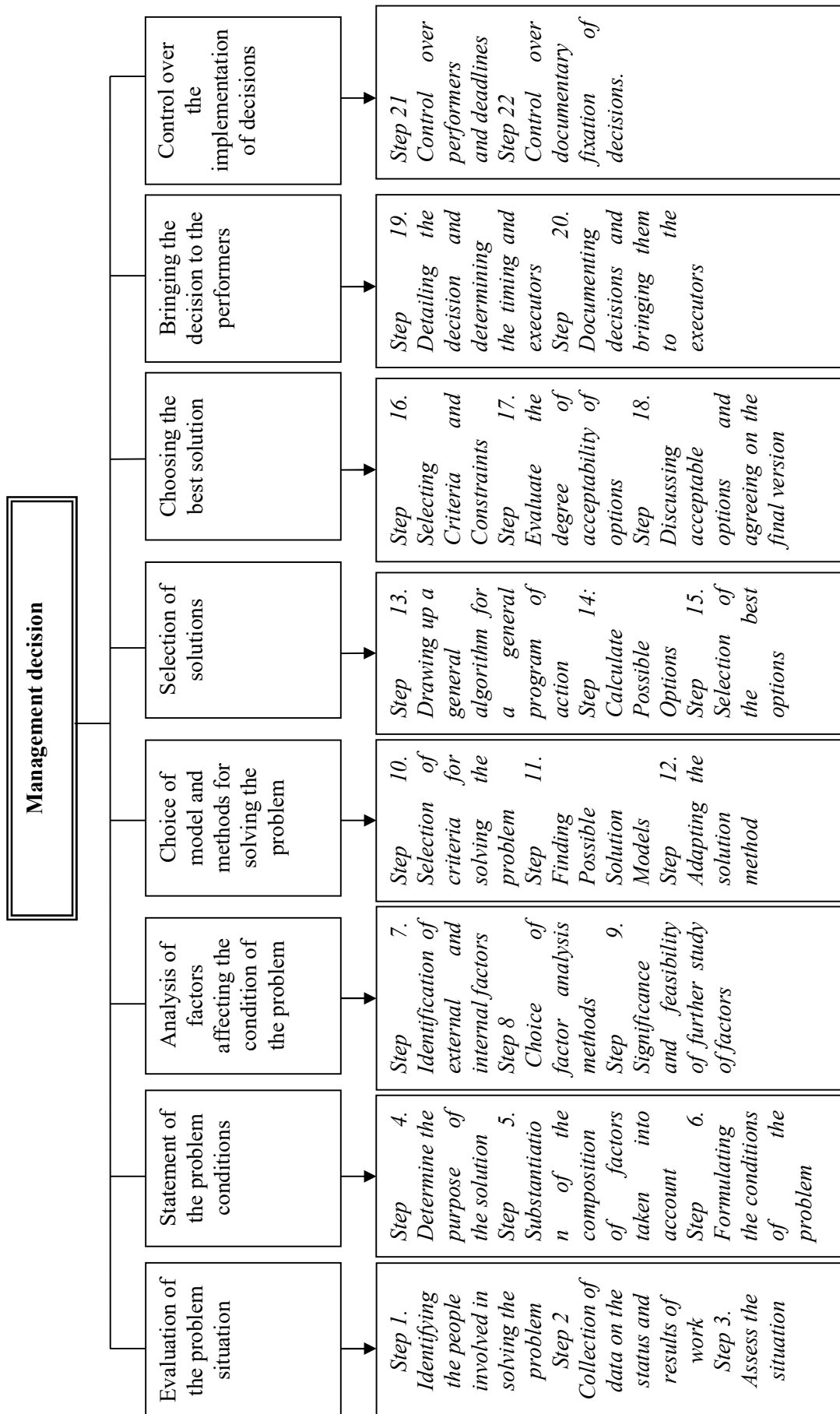


Fig. 1. Algorithm for making managerial decisions for business development in an innovative economy

Source: [2].

necessary to use the scenario method, that is, it is advisable to build different forecast options, taking into account the possible states of both the external and internal environment of the enterprise. This approach is associated with the use of system analysis capabilities in the construction of predictive models, which undoubtedly improves the validity of forecasts, allows you to better explore the cause-and-effect relationships, structure and state of the forecasting object, its external and internal environment. It is also important that enterprises practically do not use the capabilities of expert forecasting methods, do not apply statistical analysis of categorical data, which directly affects the quality of decisions made. The instability of the environment in which enterprises operate, common mistakes in management often lead enterprises to crisis conditions, in connection with which a number of tasks have recently emerged related to predicting the state of bankruptcy in enterprises and the effectiveness of anti-crisis management measures. When solving them, both well-known modifications of Altman's models based on the use of discriminant analysis and relatively new approaches related to the use of the mathematical apparatus of catastrophe theory are used. This apparatus makes it possible to explain the effects of sharp jumps in the characteristics under study, large changes in characteristics with small managerial influences, and the loss of a stable equilibrium of the system. However, in practice, when analyzing the activities of industrial enterprises, these approaches are rarely used, as are the methods of economic and mathematical forecasting [2].

The profitability of any financial transaction depends mainly on the initial capital, the interest rate and the duration of the agreement, that is, time. The effectiveness of the development of the enterprise is currently being analyzed by a consistent comparison of the indicators of its work for a number of consecutive calendar periods. In financial calculations and in modeling and forecasting financial processes, time in most cases is used not as a factor that replaces factors for which the necessary information is not available, but is independent, sometimes decisive, on which the choice of the most rational decision depends. All these noted reasons make it possible to choose a class of models and methods for predicting such financial processes.

Conclusions. When building models for forecasting financial processes, it is possible to use:

- 1) one or more mathematical forecasting methods, built mainly on the assumption that the main factors, trends and dependencies observed in the past persist;
- 2) groups of methods that allow quick adaptation of indicators to changing conditions, the priority influence of random factors and unstable behavior of indicators.

The modern economic and mathematical apparatus represents a fairly wide class of models for predicting the financial and economic state of an enterprise: trends and adaptive models of time series; autoregressive and moving average models; a class of so-called collocation models; models of stochastic processes by Wiener et al. [3].

No less interesting forecasting problems arise in the analysis of the economic and production activities of an enterprise. However, as in the case of the analysis of financial processes, many of the tasks are difficult to solve due to the lack of proper information, since modern forecasting capabilities are not used. As a rule, for the simplest calculations of certain indicators of the production activity of an enterprise, typical, standard formulas of economic analysis are used [8]. These models do not take into account the specifics of each particular enterprise, do not include the influence of factor characteristics on the results of the enterprise's activities, and do not allow the study of economic and production processes taking into account dynamics. In this regard, it should be emphasized that forecasting systems should be created for each enterprise that allow building complex forecasts that track patterns and trends in indicators, the presence and strength of the influence of various external and internal factors on the results of the enterprise.

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