

MODELS AND METHODS OF THE ENTERPRISE ECONOMIC DEVELOPMENT

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Introduction. The effective resistance of the enterprise to changes in the external environment is possible only under the conditions of preventive measures to preserve its viability and ensure competitiveness, i.e. under conditions of constant economic development of the enterprise. In the current business environment, traditional methods of enterprise management are not fully suited to the rapidly changing competitive environment in foreign and domestic markets. The optimal process, which is aimed at the survival and stable operation of the enterprise in such conditions, is economic development. This development is an important condition for the efficiency of domestic enterprises in competition in domestic and foreign markets. The complexity of the enterprise economic development problems has led to the fact that the study of modern models and methods of enterprise economic development is insufficient, which determines the relevance of this work.

The main purpose of the article is to study the economic essence of enterprise development and the selection of models and methods at the enterprise level. The achievement of this goal will be done through the analysis of business process modeling, reengineering methods, benchmarking, restructuring processes at the enterprise.

Analysis of recent researches and publications. The works by both domestic and foreign scientists are devoted to the questions of the enterprise development directions substantiation: H.F. Binner, I.V. Tiukha, Yu.S. Pohorielov, L. S. Zapasna, O.H. Melnyk, O.V. Mukan, M.L. Zlotnik, A. H. Drabovskiy, L.V. Ivaniuta, M.I. Petrenko, O. V. Komelina, L. P. Artemenko, N. L. Zikin, L. Yu. Hordiienko.

Despite the significant number of scientific papers in the field of management of enterprises' economic development, the models of enterprises economic development features of business process modeling, reengineering, benchmarking, restructuring processes that affect enterprises' economic development are still unexplored.

Results. In our opinion, enterprise economic development should be understood as the introduction of a system within the enterprise, which includes business process management, reengineering, benchmarking, and restructuring processes. Such a system as a whole ensures economic stability and survival of the enterprise in market conditions.

Signs of the enterprise socio-economic development should be considered in the economic sphere economic growth as the quantitative side of the economic system, characterized by expanding its scale (increasing production and sales, expanding market share, increasing income, etc. [1].

Enterprise development is a rather complex concept, which on the basis of content analysis is proposed to be understood as a long-term set of processes of quantitative and qualitative changes in the enterprise, which lead to its improvement by increasing enterprise potential, adaptation to the external environment and internal integration which helps to increase the company's ability to counteract the negative effects of the external environment and its viability [2].

Economic development of the enterprise should be considered as the development of the enterprise business units, in which certain business processes take place. The business unit is an integral part of the enterprise. An enterprise may consist of one or more business units. Business organization, i.e. the structural and functional form of the enterprise and individual structural units, as well as distribution of tasks within and between units may be different. The economy of business units is defined as the ratio of output to costs (both are accepted in monetary terms) over a period of time. This indicator allows controlling the degree of business success [3].

Business process management is proposed to be considered in terms of gradual development and implementation of a new methodology of enterprise management using economic and mathematical modeling of business processes in order to adapt it to changes in the internal and external environment, international market requirements, as well as expansion and higher performance efficiency [4].

To optimize business processes, a systematic approach should be applied, which provides comprehensive coverage of all areas and activities of the enterprise, and formed by all existing functions of enterprise management [5].

For the effective flow of business processes in the enterprise, it is necessary to model them. Modeling is carried out in the following sequence: definition of the business process manager; defining boundaries of the business process; identification of “exits” and customers of the business process; identification of “inputs” and suppliers of the business process; identification of resources required to perform the business process; technological description of the business process; development of indicators for assessing the business process, its results and customer satisfaction with the business process; a description of the business process manager’s work to analyze and improve it, as well as the manager’s reporting to his management.

Modeling of business processes at the enterprise is carried out in stages: construction of the enterprise functional model; construction of process model; construction of a quantitative model. The following modeling methods are used: functional modeling, data flow modeling (document flow), workflow modeling.

Management of the enterprise business processes is carried out as constant design of processes, the definition of their “inputs” and “outputs”, sequence of steps, etc. In order to ensure the effectiveness of such management in the enterprise, it is advisable to implement a method of reengineering.

According to the United Nations Economic Commission for Europe, reengineering, depending on the process approach, is divided into basic types of specialized work, starting with the definition and implementation of measures, as well as advice on improving production processes, i.e. the main activity of the enterprise, continuing the management of supply, production of the first samples of the product, their technical refinement and improvement, and ending with integrated reengineering, that is, fully formed products or goods that are sent for sale to foreign markets or shipped to the customer [6].

Business process reengineering (BPR) is the reconstruction or creation of new business processes in order to increase enterprise efficiency. A distinctive feature of this approach, compared to other methods of process management, is the focus on a radical change in business processes, rather than their gradual improvement [7].

Among many goals, the main purpose of reengineering is to gain additional competitive advantages, increase the competitiveness and profitability of the enterprise. The tasks to achieve this goal are the formation of a transparent system of personnel internal interaction and processes of the enterprise to build a transparent and flexible system of internal control. This mechanism allows management not only to make informed operational decisions but also to plan and implement future internal changes, increasing flexibility and ability to adapt to the changing external environment. Carrying out reengineering allows the company to adjust the processes, reducing their duration, which ultimately affects the cost of production and profitability of the company and ensures economic development.

The choice of specific technology for business process reengineering and implementation of specific measures in the enterprise in order to achieve the expected results of its activities should take into account certain key characteristics and criteria for evaluating the effectiveness of reengineering in terms of business conditions [8, 11].

When implementing the method of reengineering, it is first necessary to model the enterprise, and then change this model to address specific current and future challenges. Such changes occur by decisively cutting off irrational links and functions.

As a result of the reengineering introduction, a significant increase in consumer satisfaction is achieved, the focus of production on their current and future needs; radical reduction of the production cycle

duration; radical reduction in the number of processes; reduction of time spent on performance of production functions, and also their cost; significant improvement of quality management and labor organization; increasing the initiative of each individual employee; significant reduction in the number of employees; creating conditions for the introduction of new technologies in production; ensuring the enterprise adaptation to function in the information environment; abandonment of old rules and dogmas in doing business; neglect of existing outdated systems, structures, and procedures at the enterprise; radical change and the search for new ways of doing business.

Reengineering should be used when the company is in deep crisis, or when the current state of the company is satisfactory, but forecasts of its future activities are quite disappointing. Reengineering is also effective when a fairly prosperous but aggressive company seeks to quickly create unique competitive advantages.

The model of the enterprise economic development on the basis of reengineering is implemented at the following stages. At the first stage, the desired from the point of view of future survival and further development of the enterprise image is formed on the basis of its strategies development. This image reflects directions of business development in order to achieve strategic goals. At the second stage, the model of the existing business of the enterprise is created. To this end, an analysis of an existing business is carried out, schemes of its business processes are drawn up at the moment, their efficiency is evaluated according to controlling data, analysis of the organizational environment, and business processes that need radical restructuring are identified. At the third stage, a new business model is being developed. Perform redesign of current business, i.e. implement direct reengineering. To create such a business model, they redesign selected business processes, create more efficient business functions, and define new technologies. Then create the necessary information systems for reengineering, determine equipment and software. At the next stage, new business models are introduced into the economic activity of the enterprise.

The effectiveness of business process reengineering at the enterprise is influenced by a set of conditions, the key of which for Ukrainian enterprises are: organizational (creation of a project group as a holistic organizational structure or separation of those responsible for implementation, necessary taking into account the existing organizational structure of the enterprise; project team; selection of experienced performers and motivation of the company's staff on the feasibility and necessity of reengineering; attracting the best employees who have creative potential and are interested in changes in the company; resource (determination of the necessary resources, first of all personnel and logistical, for reengineering and ensuring their availability); financial and economic (availability of sufficient funds for the implementation of certain measures to reengineer business processes); innovative (providing reengineering of business processes taking into account the enterprise specifics on the basis of the introduction of innovative technologies, innovative goods or services, organizational or marketing innovations) [9, 10].

One of the methods of establishing competitive advantage is benchmarking. Benchmarking is the process of various comparisons and evaluations of one company with others that have achieved greater success, or have taken leadership positions in the same industry or outside it. As a consequence of this process, implement measures aimed at bridging the gap between the enterprise – the reformer and the leader [11].

According to the method of benchmarking, the company compares its products, services, processes with products, services, processes of another business entity. Comparisons can also be made within the enterprise itself. For comparison with the processes or products the enterprise which occupies leading positions is chosen. The condition for achieving the maximum return from the use of benchmarking in the enterprise is a thorough understanding of their own business processes, their parameters, identifying the reasons that hinder the improvement of activities.

Benchmarking as a process has several varieties depending on the objects of comparison. Internal benchmarking focuses on comparing products, services, processes with close or similar counterparts within the enterprise. This type of benchmarking makes it fairly easy to collect data but is limited in comparison, and the results are often biased. External benchmarking is carried out by several single-profile or multi-profile enterprises on the basis of a contract for joint comparative studies of each of them. This type of benchmarking aims to help each other to ensure further successful development.

Benchmarking provides a company with a number of advantages that can play a key role in the economic development of the company and provide a better competitive position. The advantage of benchmarking in terms of enterprise development is that it allows you to develop effective management models and adapt production management methods to market conditions.

Today, companies are starting to resume work step by step, rethink the values and concepts of the company, create new strategies, build business plans. For powerful enterprises, this is possible, but for small businesses, the functioning of the enterprise will remain in question. One of the prospects for a resumption of activity is enterprise restructuring [12].

In the theory and practice of enterprise management, the concept of “transformation” is considered from two points of view. First – as a result of resources transformation into products (finished goods and services). Another considers transformation as a process of systemic organizational and managerial changes (restructuring, etc.) in order to achieve the main goals of the organization, the main of which is to maintain its competitiveness in the market [13].

Restructuring at the enterprise level affects all areas of its activities: from production, technical and organizational systems to financial aspects and property issues. It must ensure the solvency of the enterprise due to reduced costs, increased productivity, the introduction of new technology, modernization of equipment.

Changes that occur at the enterprise as a result of restructuring may relate to modernization, reorganization, adaptation, innovation. Restructuring involves changing the enterprise property, organizational structure of the enterprise, production structure, structure of the production program, structure of borrowed capital, structure of assets, structure of income and expenses, the structure of personnel, information, and other structures.

Restructuring ensures the enterprise's economic development that increasing the level of profitability by optimizing capital and current costs, sales, balanced pricing.

Economic development takes place in the management of the enterprise liabilities, namely its debt, and involves changing the structure of liabilities by deferral of debt repayment, lowering the interest rate on debt, determining a more favorable scheme for debt repayment, replacement of debt with shares, cancellation of shares or all debt, obtaining new loans or guarantees from creditors.

The level of economic development due to the enterprise restructuring should be assessed by its market value. The market value indicator is an important complex financial and economic characteristic and reflects the efficiency of the enterprise, its current state, and expected prospects.

Conclusions. The formation of a market economy in Ukraine has significantly affected conditions of enterprise activity: the form of ownership, methods, and principles of state regulation have changed, international competition has intensified. In the current business environment, traditional methods of enterprise management are not very suitable in a rapidly changing competitive environment in foreign and domestic markets. The optimal process, which is aimed at the survival and stable operation of the enterprise in such conditions, is economic development. In this regard, such development is an important condition for the effectiveness of domestic enterprises in domestic and foreign markets competition.

During the twentieth century, the world has developed about a dozen models and methods of enterprise economic development. Among them, the most common were business process modeling, implementation of reengineering, benchmarking, restructuring methods.

Business process modeling allows determining how the company works as a whole, how it interacts with external entities, how organized activities in each workplace. Reengineering makes it possible to ensure the enterprise's survival in an extreme situation, significantly accelerate its reactions to changes in the market environment, primarily in consumer demands, increase the competitiveness of the enterprise.

Benchmarking serves as a tool to improve business practices. Achieving maximum efficiency by business is accompanied by a careful analysis of indicators of their own activities in the dynamics and on the basis of this definition of future action. Restructuring is a radical overhaul of the existing system of production and ensures the creation of such enterprises that are able to produce competitive products, be technically secure, and financially viable.

The introduction of these models and methods of the enterprise economic development provides qualitative changes and updates of its economic system and organizational structure, improving the efficiency of functioning on the basis of improving equipment, technology, and organization of work in all departments, improving the quality of products and services.

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Комеліна Ольга Володимирівна, доктор економічних наук, професор. **Марченко Олександр Вікторович**, кандидат економічних наук, доцент. **Чайкіна Аліна Олександрівна**, кандидат економічних наук. Національний університет «Полтавська політехніка імені Юрія Кондратюка». **Моделі й методи економічного розвитку підприємства**. Проаналізовано наукову літературу, що дозволило систематизувати сучасні моделі та методи економічного розвитку підприємства на основні поєднання теоретичних підходів і концепцій менеджменту та практики господарювання підприємств у сучасних умовах. Виявлено напрями досліджень указаних моделей і методів. Ці напрями ґрунтуються на концепціях моделювання бізнес-процесів, реінжинірингу, бенчмаркінгу, реструктуризації підприємств. Запропоновано до впровадження моделі економічного розвитку з урахуванням різноманітних факторів: модель економічного розвитку через моделювання бізнес-процесів, модель економічного розвитку на основі реінжинірингу, методика бенчмаркінгу, методика реструктуризації. Доведено актуальність упровадження сучасних моделей економічного розвитку підприємств з метою ліквідації технологічного відставання України від розвинених країн Європи. Запропоновано подальші дослідження з визначенням найбільш ефективних моделей економічного розвитку для конкретних підприємств у реальних економічних умовах їх діяльності.

Ключові слова: моделі й методи економічного розвитку, моделювання бізнес-процесів, реінжиніринг, бенчмаркінг, реструктуризація підприємств.

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Komelina Olha, Doctor of Sciences (Economics), Professor. **Marchenko Oleksandr**, PhD (Economics), Associate Professor. **Chaikina Alina**, PhD (Economics). National University "Yuri Kondratyuk Poltava Polytechnic". **Models and Methods of the Enterprise Economic Development**. The scientific literature was analyzed in the article, which allowed the systematizing of modern models and methods of the enterprise economic development on the basic combinations of theoretical approaches and

concepts of management, the practice of enterprises management under modern conditions.

Directions of the specified models' researches and methods were revealed. These areas are based on the concepts of business process modeling, reengineering, benchmarking, enterprise restructuring. It was proposed to implement the model of economic development taking into account various factors: a model of economic development through business processes modeling, model of economic development based on reengineering, method of benchmarking, method of restructuring.

It was proved the relevance of the modern models of economic enterprises development introduction in order to eliminate technological backwardness of Ukraine from developed European countries. Our further researches will be connected with the definition of the most effective models of economic development for concrete enterprises in real economic conditions of their activity.

Keywords: models and methods of economic development, business process modeling, reengineering, benchmarking, enterprise restructuring.