UDC 330.34; 65.016

https://doi.org/10.35546/kntu2078-4481.2020.2.11 A.I. PLYASKINA

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# THE CONCEPT OF THE ESSENCE «ENTERPRISE DEVELOPMENT» TAKING INTO ACCOUNT THE IMPACT OF THE EXTERNAL ENVIRONMENT

It should be noted that the concepts of «development», «increase» and «growth» can not be identified; they differ in their functional characteristics. It can be concluded that the concepts of «increase» and «growth» are narrow and limited, compared to the concept of «development». A thorough study of the category «enterprise development» indicates its main property, in particular adaptation. The results showed, Scientists consider the features of adaptation in different ways. Therefore it is necessary to consider the enterprise in the course of its development from identifying signs of a condition of the enterprise. In this work, the optimal sign of the state of the enterprise is the state of the «golden mean», in other words, a new quality state, was considered. The state «golden mean» of the enterprise is such «sensitive» state at which, even at insignificant fluctuations of influences of external environment on the enterprise, the reaction of the enterprise to these influences is instantaneous and decisive. Since the enterprise is an «open system», as the main sources of development of «open systems» are internal and external contradictions. These contradictions are the driving force of the system development, which is characterized by irreversible, directed, natural changes. Approaches to interpreting the strategy of enterprise development are discussed in the article. The essence of the enterprise development strategy is specified. Modern economic conditions are dynamic and uncertain. One of the main factors that can improve position of enterprise at the market is a properly grounded development strategy. Such a strategy should be based on intensive development.

Keywords: enterprise, enterprise development, transformation, increase, growth, the golden mean of the enterprise, adaptation, globalization.

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## КОНЦЕПЦІЯ СУТНОСТІ «РОЗВИТОК ПІДПРИЄМСТВА» З УРАХУВАННЯМ ВПЛИВУ ЗОВНІШНЬОГО СЕРЕДОВИЩА

Зазначено, що поняття «розвиток», «зростання» та «ріст» не можна ототожнювати, вони відрізняються за своєю функціональною ознакою. Зроблено висновок, що поняття «зростання» та «ріст» є поняттями вузькими та обмеженими, порівняно з поняттям «розвиток». Ґрунтовне дослідження категорії «розвиток підприємства», вказує на головну його властивість - адаптацію. Результати показали, що науковці по-різному розглядають риси адаптації. Тому варто розглядати підприємство в процесі його розвитку з боку ідентифікуючих ознак його стану. У даній роботі розглянута оптимальна ознака стану підприємства - стан «золотої середини» (новий якісний стан). Стан «золота середина» підприємства, – це такий «чутливий» стан, при якому, навіть при незначних коливаннях впливів зовнішнього середовища на підприємство, реакція підприємства на ці впливи  $\epsilon$ миттєвою і рішучою. Оскільки підприємство  $\epsilon$  «відкритою системою», то доведено, що основними джерелами розвитку «відкритих систем»  $\epsilon$  внутрішні і зовнішні протиріччя. Ці протиріччя – рушійна сила розвитку системи, для якої характерні незворотні, спрямовані, закономірні зміни. Також автор у статті розглядає підходи до тлумачення розвитку підприємства через його стратегічні напрями з урахуванням впливу зовнішнього середовища на підприємство. Для цього було уточнена природа стратегії розвитку підприємства. Оскільки сучасні економічні умови є динамічними та невизначеними, то одним із головних факторів, який може покращити становище підприємства на ринку, є обгрунтована стратегія розвитку. В подальшому така стратегія повинна базуватися на інтенсивному розвитку.

Ключові слова: розвиток, розвиток підприємства, трансформація, ріст, зростання, золота середина підприємства, адаптація, глобалізація.

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## КОНЦЕПЦИЯ СУЩНОСТИ «РАЗВИТИЕ ПРЕДПРИЯТИЯ» С УЧЕТОМ ВЛИЯНИЯ ВНЕШНЕЙ СРЕДЫ

Доказано, что понятия «развитие», «рост» нельзя отождествлять, они отличаются по-своему функциональному признаку. Исследовано одно из свойств категории «развитие предприятия» адаптация. Результаты показали, что ученые по-разному рассматривают черты адаптации. Аргументировано что развития предприятия следует рассматривать со стороны идентифицирующих его признаков. В данной работе рассмотрено оптимальное состояния предприятия - «золотая середина». «Золотая середина» предприятия - это такое «чувствительное» состояние, при котором, даже при незначительных колебаниях воздействий внешней среды на предприятие, реакция предприятия на эти воздействия - мгновенная и решительная. Поскольку предприятие является «открытой системой», то обосновано, что основными источниками развития «открытых систем» являются внутренние и внешние противоречия. Эти противоречия рассмотрены как движущая сила развития системы, для которой характерны необратимые, направленные, закономерные изменения. Также автор в статье рассматривает подходы к толкованию развития предприятия через его стратегические направления с учетом активного влияния внешней среды на предприятие. Для этого уточнена природа стратегии развития предприятия. Поскольку современные экономические условия являются динамичными и неопределенными, то одним из главных факторов, который может улучшить положение предприятия на рынке, является обоснованная стратегия развития. В дальнейшем такая стратегия должна базироваться на интенсивном его развитии.

Ключевые слова: развитие, развитие предприятия, трансформация, рост, золотая середина предприятия, адаптация, глобализация.

#### **Problem statement**

A thorough study of the essence «enterprise development» indicates its main property, in particular adaptation. Since companies interact directly with the external environment, taking into account trends in globalization, it is advisable to change the concept of «adaptation» to the concept of «flexibility». In this case, the very concept of «flexibility» is one of the main criteria for rapid response of the enterprise to negative environmental factors.

## Recent research and publications

Scientists consider the features of adaptation in different ways.

Researchers T. V. Shved, I. S. Bila consider adaptation as a challenge and a need of modern reality. The latter involves active participation in adapting to the existing risks and benefits associated with innovation [1].

T. M. Yankovets, Yu. A. Nagorna believe that in the process of its development the enterprise acquires new opportunities and properties that allow it to function more effectively in a market environment, increase its adaptability to changes in the external environment [2].

According to I. I. Stets, adaptation can be considered as a process of adaptation of the enterprise to changing external conditions, which aims to ensure the sustainability of the enterprise in the long run, and contains a system of organizational, economic and social regulators. The basis of success and efficiency of the adaptation process is a thorough study of both external and internal environment, which requires proper information [3].

A slightly different approach is offered in his research by Yu. A. Andriychuk, who considers adaptation as the ability to analyze and track changes in the external and internal environment, automatically changes the algorithm and structure in order to maintain or achieve optimal condition [4].

S. V. Kudlaenko claims that adaptation is aimed at development, used by enterprises that feel confident in the existing conditions of operation and seek to increase the efficiency of their activities in order to expand production [5].

## Materials and results

It should be noted that the concepts of «development», «increase» and «growth» cannot be identified; they differ in their functional characteristics. The following are approaches to the interpretation of these concepts (Table 2).

It can be concluded that the concepts of «increase» and «growth» are narrow and limited, compared to the concept of «development». «Growth» is a used in measuring the qualitative characteristics of the level of «development», its functional property. An example of economic «increase» is the increase in the absolute size of national income in the country per capita, and in general. However, we should not forget that «increase» can be replaced by an economic downturn (recession), which is characteristic of the downturn in the economic cycle.

Table 2 Approaches to the definition «development», «increase», «growth» made by domestic scientists\*

Scientists	«Development»	«Increase»	«Growth»
M. Nebava, 2005	a contradictory process in which factors interact and periods of progress are replaced by periods of	a component of development that involves quantitative change	
N. Kasyanova, 2011	regress qualitative phenomenon	quantitative, assigned	quantitative indicators
10.1003 0110 00, 2011	that reflects the peculiarities of the internal state of the object	objects, features of their interaction	that have a limit
A. Dakus, N. Simchenko, 2012	system change in the long run	accumulation of existing resources	increase in size, number of objects
S. Vecherya, 2013	increase of efficiency, opportunities, potential, properties	qualitative changes that have an effect	quantitative increase of parameters
L. Chumak, 2013	higher type of movement, change of matter and consciousness	increase in size	
O. Kondratyuk, 2013	the emergence of qualitatively new forms	dynamic quantitative characteristics of development	quantitative and qualitative change of results, factors
I. Chervyakov, 2015	change, transition from one of its qualitative states to another	forms its foundation	
O. Talavirya, 2015	qualitative and quantitative changes that allow to increase the effectiveness of their activities	causes qualitative transformations, promotes its development	increase qualitatively, in the size, volume, quantitatively
O. Slavich, 2018	is an impetus for adaptation, for changes in the environment	life cycle stage	life cycle stage
The author's approach	way to resolve conflicts between environmental factors	component of development, which shows the qualitative dynamics	quantitative indicator of development, which is carried out by calculations

<sup>\*</sup> Developed and summarized by the author based on [6-14]

«Growth» is a dynamic characteristic of development, its quantitative feature. Examples of economic «growth» can be an increase in production, market share growth, increase in enterprise income and so on. In combination with structural shifts, economic «growth» is a side of economic development. This allows the company as a complex system to discover and implement new opportunities, properties, qualities and characteristics that contribute to the company's ability to perform new functions, solve new problems, which strengthens its position in the environment and increases its ability to counteract its negative influences [15].

Thus, we agree with the scientist V. G. Rogov that in a broad sense, «enterprise development» is an irreversible, directed, natural process, which is a cumulative continuous and consistent change of results or states of the enterprise in time and space to quantitatively and qualitatively different from the previous, positive or negative in direction. In a narrow sense, the development of the enterprise is a set of qualitative and quantitative changes under the influence of internal and external factors, aimed at the transition of the enterprise to a new state, better than the previous one [16].

However, the author cannot agree with the majority of domestic scientists, who suggest that companies are trying to adapt to changes in the external environment. The term adaptation (from the Latin adaptation, adapto - adaptive) first appeared in biology to determine the adaptation of the structure and functions of organisms to the conditions of existence or habit [17]. Under the concept of «adaptation» in the Dictionary of foreign words [18] is interpreted as adaptation to changing environmental conditions. In other words, adaptation is characterized by the ability of the enterprise to survive (exist) in the conditions set by the external

environment. And the more often the company adapts to the external environment, the greater the effect of savings.

Thus, flexibility is one of the main criteria for enterprise development, which skillfully balances between the resources used by the enterprise and efforts to counteract external factors of negative influence.

The level of flexibility is determined by the speed of assessing the real scale of the threat, and to accept one of the best options out of many possible solutions to optimize the internal processes of the enterprise. Therefore it is necessary to consider the enterprise in the course of its development from identifying signs of a condition of the enterprise (Fig. 1).

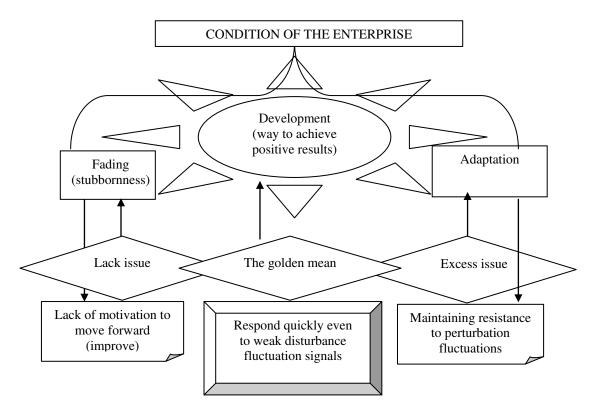


Fig. 1. The peculiarity of the state of the enterprise in the process of its development

According to Fig. 1, the state of the enterprise - fading (stubbornness) - occurs as a reaction to the defects of functional management, when the company is not motivated by the result, the lack of motives for development («move forward»). The enterprise in this case is a completely isolated, closed system, and cannot be considered as «open».

If the company tries to «acclimatize» to its environment, then in the process of functioning the company is exposed to not only internal but also external influences (fluctuations in disturbance), which violate its stability. If the fluctuation of disturbance is temporary and its strength is not significant, the company remains stable in relation to these influences (the state of the enterprise - adaptation (adaptation)). At the same time, the company is constantly accumulating irreversible qualitative changes, which are dictated by the need to adapt the company to internal and external influences. If the intensity of fluctuation is maintained at a constant level or increases over a long period of time, there is a significant depletion of the adaptive capabilities of the enterprise, its ability to absorb any impact. If the actions of fluctuation do not stop, there comes a time when the company cannot function successfully, and slowly comes the systemic crisis of the company. Systemic crisis is a negative critical phenomenon of violation of the parameters of the viable state of the enterprise.

The optimal sign of the state of the enterprise is the state of the «golden mean», in other words, a new quality state. The state «golden mean» of the enterprise is such «sensitive» state at which, even at insignificant fluctuations of influences of external environment on the enterprise, the reaction of the enterprise to these influences is instantaneous and decisive.

In conclusion, we consider it necessary to propose a new approach to understanding the category of «enterprise development», which would take into account a significant number of factors of internal and external environments.

A broader author's understanding of the category «enterprise development» is presented schematically (Fig. 2).

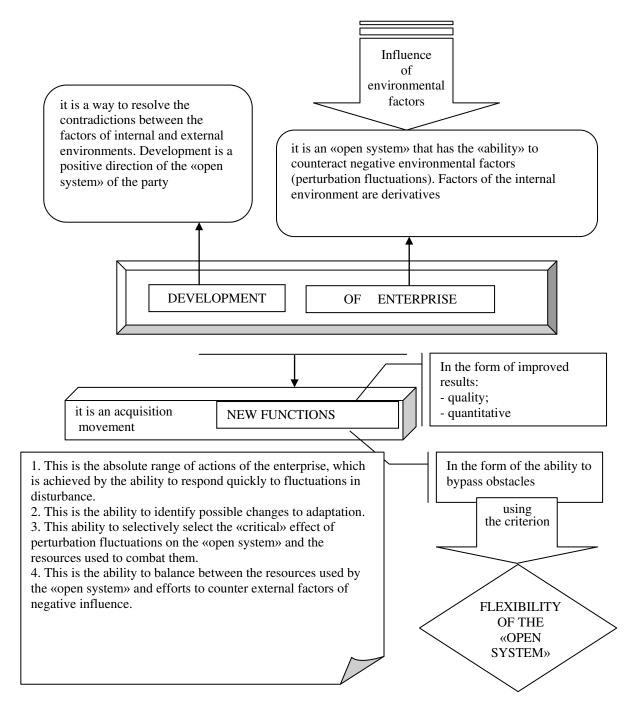


Fig. 2. Schematic formulation of the concept of the category «enterprise development» taking into account the impact of the external environment

Since the enterprise is an «open system», as noted by scientists O. P. Pashchenko, O. O. Yushkevich, the main sources of development of «open systems» are internal and external contradictions. These contradictions are the driving force of the system development, which is characterized by irreversible, directed, natural changes [19; 20].

Due to the fact that in modern conditions the company focuses on achieving business goals through the coordination of socio-economic interests, we can assume that the competition that arises between enterprises is no longer able to actively influence the development of the enterprise, as before. We can assume that the dynamism of globalization processes «pushes» competition into the background. Under the coherence of socio-economic interests of the subjects of market interaction, the author sees the complexity of diverse needs and requirements, due to both internal business objectives of the enterprise and the influence of external factors. At

the same time, each enterprise is unique, because it makes its own, special contribution to the development of the external environment, creating its integrity.

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