

## THE BUSINESS PARTNERSHIP IN TRADE

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The author describes features of formation of business partnerships in commercial workplaces, types of business partnerships not usual for trade, the range of the main contractors; types and features of traders resellers.

**Keywords:** business partnerships, trade, contractors, commercial enterprise, trade resellers.

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The process of integration within the meaning and nature of management, organizational transformation management structures, increasing the importance of innovation, promotion of information technologies and their active using in trade, the development of network structures enhance the quality requirements and efficiency of business partnership in trade. Whereas in the current tough competitive environment affects the choice of partner for all activities of the company and its continued operation, this option should be as effective.

In recent years the economic situation in the country is unstable, leading to insolvency and cessation of activity. In such circumstances, a very acute problem is surgery and quick analysis of the situation. Analysis of the qualitative characteristics of the mechanism of bankruptcy in Ukraine presented in the World Bank "Doing Business 2012" [1], makes it possible to note that Ukraine under "Termination" location ranks 156 among 181 states, with the last three years its rating on this indicator fell by 13 points.

One of the main reasons was the termination of unprofitable enterprises, according to the State Statistics Committee of Ukraine [2] the greatest losses in the last 5 years have companies involved in trade (about 60.7%). This loss ratio was due to a greater extent by external factors, including failures in shaping the business environment at the national and international markets. Therefore, it is extremely important to make the selection of the right partnerships in trade, the choice of the optimal set of counterparties, because it is commercial enterprises subject to the criterion of greatest risk in dealing with contractors.

The aim of the article is to identify key business relationships by counterparty in the scope of trade at the present stage of development of

trade relations in Ukraine. The range of business relationships and their logical ordering provides a basis for developing optimal organizational business strategy and enables you to define the vector of development of the enterprise, which is relevant in this or that external conditions ahead.

Present problems of business partnership in trade are scantily explored by scientists. Problems of business partnership, in fact, reduced to only two areas: social partnership, which was devoted to the work of such scholars as V. Novak, D. Nelipa, A. Miroshnichenko, T. Rozhkova, G. Trunova and strategic partnerships with other countries that have investigated O. Znahorenko, I. Zholkva, V. Melnyk, V. Komarytskyy, J. Sedlyar.

The question of partnership with emphasis on commercial enterprises were highlighted by G. Bratus', O. Butkevych, A. Dovhal', N. Krasnokutskaya, O. Krutushkina, V. Sobolev and others.

However, despite the presence of a sufficiently large number of papers on selected issues, it should be noted the variety of them. In addition to all almost completely absent studies on determination of the same business partnership in trade, which determined the direction of our research.

International experience shows that the modification of various business partnership models associated with regional industry characteristics, mentality, market conditions, not only provides reproductive process, but also provides an economic multiplier effect, strengthens social stability in society. The above leads to the special relevance of research existing problems of formation and development of business partnerships in the economy of Ukraine [3, p. 36].

The problem of formation and development of business partnership

is inextricably linked to the issue of choice of business partners to achieve further constructive cooperation between economic actors. The need for such cooperation objective stems from the inability to operate in today's progressive economic area alone.

Since the subject area of business partnership have all sorts of relations between economic entities which provide economic benefits in the form of income or social impact, it is appropriate to determine the number of reasons that stimulate the establishment of partnerships. These reasons include the following:

- economic or financial, which prevents the realization of the mission or objectives of management, in addition there is a lack of material resources in their particular moment or period of the economic entity. This shortage can be caused by both negative and positive factors. In both cases, the company cannot do without raising funds;
- causes an informational nature, manifested in large volumes of information with which to work, and the need for its fast processing. Information society is not static and requires quick and quality decision-making process, all the actions must be clearly coordinated and aimed at achieving the objective of the economic entity. Such coordination beautifully traced the activities of multinational companies, where despite the territorial isolation goals are achieved by all departments;
- competition, namely, if the company or organization takes over the experience of others through cooperation and coordination with them, they lose their potential for development. It is possible that this is an economic rather thrive on their own, but the pace of this development will be very small, and sooner or later, under the influence of competition, progress enters the regression;
- the effect of consolidated

cooperation, coordination or mutual benefit - one of the most important reasons, because there are two scenarios. First, when economic actors are together for implementation of the particular project, after which they again operate independently, but the benefits for both are financial or material expressions. An example of such interaction is an example of public-private partnership for the construction of infrastructure. In this case there is the concession contract for the construction and maintenance of roads [4, p. 483], that on the one way the state fulfills its socio-economic functions and receives financial benefit in the form of roads, and the other - the contractor receives income from the operation, bringing their money - by financial rewards.

The second form is the expression of mutual benefit through common interests, which is the implementation of a uniform, that the objectives and principles of the economic agents have the same conceptual framework. The principle of this interaction is the slogan "better to be a friend than an enemy."

If we consider the business partnership of commercial enterprises, middle or big business, these business connections are extremely diverse.

The primary and most important partners are usually contractors: suppliers and buyers, while, in fact, no matter whether it is an enterprise engaged in the sale of goods or provision of services to its specialization. But we should not forget the other interactions of this company to others. There is a broad range - from the possible outsourcing of accounting services and external audit, legal support, banking, advertising and public relations companies, and ending with the delivery of water companies, purchasing office and garbage.

First, trading company primarily ought to focus its attention on the proper selection of its partners. It is necessary for this to establish clear criteria for selection. According to this there are clear incentives of the partnership, which in turn are consistent with the objectives of the subjects of economic relations.

It is fair judgment that this choice depends on the scope and extent of the subject, his relations, economic performance, profitability and a number of external factors [5, p.13]. In this case,

the partners define their interests and develop a strategy for their approval and implementation.

The primary aspect is the quality of the services they provide, as follows, to materiality shall be their value and, consequently, the effect that they bring to the company. While some practitioners believe the primary factor price conditions [6, p.57]. Moreover, the effect may be the case not only on income but also in the form of reputation. But in this formulation of the question, no one economist would not allow himself to drop the issue of optimal combination of price and quality. This interpretation is fair enough, because if we get the same effect with different combinations of money, in some cases, the right to choose the lowest prices and the resulting cost savings.

Returning to the peculiarities of trade business partnership, are the major counterparties with which they interact [7, p. 235]:

- consumers of their product (customer service) - people, companies, and organizations;
- immediate business environment - partners, suppliers, contractors, subcontractors, a company which carried out joint programs or arrangements;
- government - governmental organizations, social organizations, performing regulatory and supervisory functions, international organizations, sometimes with legislative authorities - in order to lobby for their own corporate or sectorial interests;
- shareholders and investors - the people and organizations that are complete or partial owners of the company and receive from the company direct or indirect income;
- within the enterprise - along the course of business processes and out of their frames, formally and informally, both vertically and horizontally, between individually and in groups, directly or indirectly;
- the general public - society as a whole or its individual parts, mainly through the media or large events.

The relationships of international trade partnerships merit special attention because they are one of the important tools of foreign policy, which is increasingly used by leading countries and integration associations, as it allows

increasing the effectiveness of their actions in the international arena. Long-term, time-tested partnership is a flexible interaction mechanism for countries united around the strategic objectives for the implementation of its national interests and enhances stability in the world [8, p. 22].

Specific relationship of business companies in trade sector are in particular set of resellers. This interaction occurs objectively based on the fact that increasingly common situation where firms face serious difficulties to promote their goods to market and implement it. The implementation of activities of organizing sales often associated with large labor costs and requires established and stable business relationships, special skills and experience.

In this regard, commercial enterprises there is a need to solve problems that are not directly related to vocational guidance activities (participation in auctions, exhibitions, courts of competitors and customers, finding new niches and market opportunities, etc.). All this makes the company to minimize cost and material and human resources as well as to appeal to the various specialized organizations or businesses that perform these tasks better and faster, and that, in fact, are intermediaries between producer and consumer [9, p. 3].

Field of sales is characterized by a large variety of resellers in the market that provide a variety of services. The main intermediaries operating in the sphere of commodity circulation in Ukraine include: dealers, distributors, traders and brokers.

- Dealers are individuals or legal entities that specialize in the trade of certain species in its own name and at its own expense carry out the purchase and sale of goods.

- Distributors are wholesale and retail intermediaries engaged in selling products based on bulk purchases from manufacturers that provide services for the storage, delivery of products may organize a particular area sales network. Distribution companies are members of foreign trade. They act to implement it purchased imported goods in the country. They are indicative of long-term relationships with foreign suppliers [10, p. 81].

- Traders called resellers,

specialized in short-term contracts, short transactions, trades on behalf of the client, but in its own name and for its own account.

- Brokers are individuals, stock workers, market participants, market relations agents that act as intermediaries between buyers and sellers of goods, securities and currencies. Brokers facilitate the conclusion of agreements «linking» together buyers and sellers, acting on behalf of its clients and at their expense, fee or receive compensation in the form of commission at closing [11, p. 56].

Summary of theoretical developments, the actual practice of management and its legal regulation in Ukraine reveals the following features resellers:

- the status of reseller can take legal business entities and individuals (with certain restrictions);
- resellers engaged in wholesale and retail trade of various commodities;
- to carry out its functions appear to conclude mediation agreement, and in cases prescribed by law, you have also a special registration;
- reseller may perform legal and factual actions in the interests of others in accordance with the concluded contract;
- the interest of intermediary is to receive remuneration duly executed power of attorney principal;
- Ukraine fragmentary legislation regulating the activities of resellers does not clearly define their responsibilities, in some cases, defines one term on the status of various subjects, giving them different powers (functions).

Classify resellers can be a number of features, depending on the status of mediator (collective and individual), depending on whether the intermediary acts on its own behalf or on behalf of the client, depending on their scope (domestic, foreign economic activity), depending on whether the purchase intermediary product in the property, depending on the terms of reference agent [12, p. 167-168].

Nowadays business partnership in economic environment is the driving force behind the development and guarantees the sustainability of commercial enterprises. Based on the fact that their business partners are sufficiently wide and varied, it is necessary for the company their proper selection and installation of proper

and effective interaction, which in the future will achieve the efficiency of commercial enterprise and improve the results of its operations.

Considered the interests of business partnerships, developing strategies for coordination and implementation mechanism for defining the stages of development and implementation of the business partnership, having considered the types and features of functioning resellers, it can be concluded that dealings in the trade is very extensive and varied in nature and targeted direction.

Therefore, the determinant of a successful business is the right choice of counterparties and establishment of such cooperation with them, which would allow the company to fulfill its purpose in the market and achieve profit maximization.

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