

INVESTMENT ATTRACTIVENESS OF ENTERPRISES IN THE CONTEXT OF EFFECTIVE MANAGEMENT OF RESOURCE PROVISION

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Tepluk M. A., Budiaiev M. A. Investment Attractiveness of Enterprises in the Context of Effective Management of Resource Provision

The article considers the problematics of developing a resource provision system in view of the system of ensuring investment attractiveness. The scheme of interrelations between the investment strategy, management system and resource portfolio of the organization has been built. There analyzed the key problems of the management system, according to which consequent cycles of the operation process of enterprise management are considered in terms of effective resource provision of the economic activity. It is proved that to increase the level of investment attractiveness, it is necessary to coordinate the basic triad of the economic activity. As a result of the study there have been determined the principles of creating effective investment strategy, its place in the organization depending on the resource provision system and resource asymmetries. Consequently, there has been modified the concept of creating the value chain with respect to the resource concept.

Keywords: management of resource provision, system of ensuring investment attractiveness, modified value chain, resource portfolio, investment strategy, system of management of the organization resource portfolio.

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Теплюк М. А., Будяєв М. О. Інвестиційна привабливість підприємства в розрізі ефективного управління ресурсозабезпеченням господарської діяльності

У статті розглянуто проблематику побудови системи ресурсозабезпечення у зв'язку із системою забезпечення інвестиційної привабливості. Побудовано типову схему взаємозв'язку: інвестиційної стратегії, системи управління з ресурсним портфелем організації. Проаналізовано ключові завдання системи менеджменту, відповідно до яких розглянуто послідовні цикли операційного процесу управління підприємством у розрізі ефективного ресурсозабезпечення господарської діяльності. Доведено, що для підвищення інвестиційної привабливості необхідно узгодити базисну тріаду господарської діяльності. У результаті дослідження було визначено принципи ефективного створення інвестиційної стратегії та зазначено її місце в організації, залежно від системи ресурсозабезпечення та ресурсних асиметрій. Як наслідок, було модифіковано концепцію ланцюга вартості відносно ресурсної концепції.

Ключові слова: управління ресурсозабезпеченням, система забезпечення інвестиційної привабливості, модифікований ланцюг створення вартості, ресурсний портфель, інвестиційна стратегія.

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Теплюк М. А., Будяев М. А. Инвестиционная привлекательность предприятия в разрезе эффективного управления ресурсообеспечением экономической деятельности

В статье рассмотрена проблематика построения системы ресурсообеспечения в разрезе системы обеспечения инвестиционной привлекательности. Построена схема взаимосвязи инвестиционной стратегии, системы управления с ресурсным портфелем организации. Проанализированы ключевые задачи системы менеджмента, согласно которым рассмотрены последовательные циклы операционного процесса управления предприятием в разрезе эффективного ресурсообеспечения хозяйственной деятельности. Доказано, что для повышения инвестиционной привлекательности необходимо согласовать базовую триаду хозяйственной деятельности. В результате исследования были определены принципы эффективного создания инвестиционной стратегии, её место в организации, в зависимости от системы ресурсообеспечения и ресурсных асимметрий. Как следствие, была модифицирована концепция цепи создания стоимости относительно ресурсной концепции.

Ключевые слова: управление ресурсообеспечением, система обеспечения инвестиционной привлекательности, модифицированная цепь создания стоимости, ресурсный портфель, инвестиционная стратегия.

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The new operating conditions and economic development of domestic enterprises are characterized by the increased levels of competition in both the domestic and foreign markets that results in necessity of searching for new innovative approaches to resource management of the enterprise. The analysis of world's leading

companies, the implementation of the strategic plans and practices of creating market advantages are directly related to the effective use of all the available resources.

A prerequisite for achieving efficiency in resource provision is determination of the priority of resources and their combinations. Particular attention should be focused

on resource asymmetries, which are becoming an innovative instrument of competition, promote the strategic development of the enterprise and participate in increasing the market value of business as a whole, which, in turn, increases the investment attractiveness for stakeholders. The increased competition in all resource and commodity markets obliges the participating organizations to implement a systematic upgrading of technologies and processes, improve skills, introduce modern management systems and automate all their activities.

Studying the efficiency of management of enterprise resources as a key factor in ensuring the investment attractiveness is reflected in both domestic and foreign scientific literature: J. Akerlof, I. A. Blanca, F. V. Bandurin, S. A. Boutkevitch, E. Brooking, A. Bezukh, R. Buliga, R. Wilson, B. Vernerfelt, F. P. Haidutsky, R. Grant, A. Gaponenko, P. Druker, T. Davenport, L. Edvinson, R. Ramelt, D. Tees, A. Kozyrev, D. Kreps, A. Kendyukhov, D. Kolliz, K. E. Meyera, V. Makarov, L. Malyuga, M. Malone, C. Montgomery, D. Norton, A. Butnik-Seversky, I. Vovk, Ye. Gagurin, V. Lavrenenko, L. Smith, L. Ruban, Ye. Smirnov, G. A. Chukhno, G. O. Shvydanenko, N. Shevchuk and others. Besides significant scientific researches, fragmented studies on the management of enterprise resources in terms of investment attractiveness of economic activity are worth mentioning.

The modern concept of development of domestic enterprises includes the analysis of preconditions for market economy transformation, introduction of innovation and investment model of development, restructuring of the subsystem, further strategic formation and improvement of activities within financial, functional, production, innovation and investment, social and infrastructural priorities, in which the main basis is determining the effectiveness of new methods of management and analysis of national and international markets.

However, studies have shown that presently there required the formation of a purposeful resource management system, implementation of which will contribute to the achievement of investment attractiveness, functional and regional development balance, improvement of the efficiency of market internal mechanisms and streamlining of relationships, overcoming or reducing negative effects of the aggregate of various risks.

Summing up the mentioned positions and the authors' understanding of the given problematics, we propose

to consider investment attractiveness in terms of efficient and rational use of the resource potential to be the main objective in enterprise management enterprise.

Therefore, in our opinion, the main tasks of the enterprise management system are:

- ✦ formation, use and reproduction of the resource potential of the enterprise;
- ✦ identification and creation of areas of entrepreneurial opportunities;
- ✦ creation of a regulatory framework for management of the resource potential in order to justify appropriate management decisions;
- ✦ optimization of organizational forms for the innovation and investment development and effective resource reproduction;
- ✦ building a distribution system of functional responsibilities between governing entities;
- ✦ investment support management
- ✦ building a system for ensuring the investment attractiveness
- ✦ motivation of innovation and investment activity by optimizing the components of the resource portfolio.

Consequently, the process of enterprise management consists of separate cycles, each of which, in turn, can be divided into a number of independent operations. In Fig. 1 the typical pattern is shown.

For assessing the investment opportunities of the enterprise, according to domestic authors, it is necessary to conduct an analysis of its financial stability, which enables evaluating the investment potential of the entity.

However, studies by modern foreign authors demonstrate the importance of subjective factors of investment, which, in turn, leads to developing new mechanisms for evaluating the investment potential of the enterprise [3]. Recent developments represent an objective and subjective method of normalized estimates, which takes into account basic financial indicators; proxy indicators that are inherent to the enterprise sector and subjective parameters of evaluation as well.

In the current state of the market environment the investment resources are limited, so enterprises should make significant changes in their investment strategy or generate a more effective one. First, the investment strategy of the entity is formed in terms of the vision and objectives of the enterprise [7–9]. Creation of new investment resources is

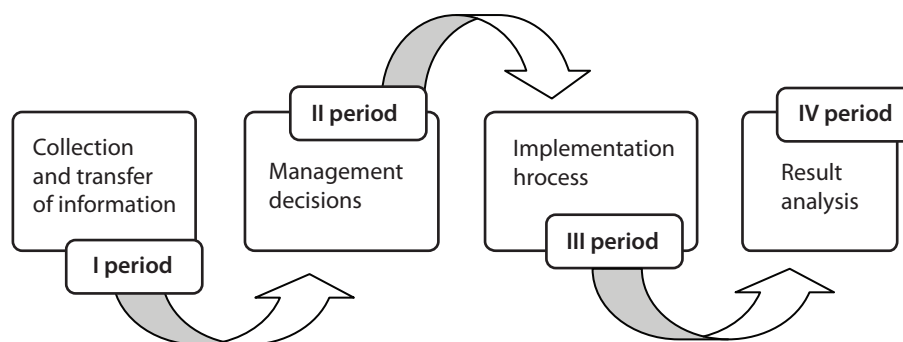


Fig. 1. The sequence of operations in the process of management [1, 2]

possible only with a proper level of investment attractiveness. Therefore, for effective business operation, entities have to select alternative variants of investment strategy implementation.

The analysis of the global experience shows that the success of economic activity is more dependent on the chosen strategy. Considering the above mentioned, there gaining importance the resource approach to strategic business analysis, in which great attention is paid to specific enterprise resources and their combinations, which allows creating competitive advantages.

In other words, the elements of the resource portfolio can be attributed to a group of strategically important and investment attractive for stakeholders when they meet the following conditions:

1. Cyclical character of the resource lifecycle.
2. Difficulties in substitution of resources.
3. Resource asymmetries as a component of competitive advantage.
4. Difficulties in copying the resource combinations.

To improve the activity of production enterprises, enhance their competitive advantage, along with the organizational and management structure optimization, it is important to establish the balance in the economic triad "strategy-system-control" (Fig. 2) and implement a number of measures, including:

- ✦ balancing the supply and demand, promoting sales, improving the validity of marketing research;
- ✦ using efficient methods of resource management of the enterprise and innovative technology for its development;
- ✦ defining the actual state and perspectives for development of the market conjuncture;
- ✦ focusing the activity on the vision of the market, optimization of managing resource provision and assurance of investment attractiveness;

- ✦ providing conditions for a competitive development strategy, studying factors of influence on the market conjuncture.

Taking into account the aggravation of the market competition, the suggested investment strategy aims to increase the investment attractiveness of enterprises and is based on the systems of resource management of their economic activity, which involve leading and technologically connected with them specialized manufactures of this of related industries. Enterprises use the available resources to accumulate other types of resources, which creates an interest for stakeholders and increases the investment attractiveness of the entity. These resources are called strategic. Usually they are immense and are the result of good governance. Since the resource potential is the basis for the functioning of every enterprise, strategies of improving the investment attractiveness of the entity have a number of specific functions, such as:

- ✦ establishment of the enterprise investment strategy;
- ✦ determination of the functional relationships of the business strategy according to the resource portfolio;
- ✦ decision-making based on the development strategies adapted to the RBV-analysis;
- ✦ achievement of the investment attractiveness by stimulating the search and formation of unique combinations of resources;
- ✦ adaptation to environmental changes through co-operation of the strategic map with resource asymmetries.

As a result, to increase the investment attractiveness of the enterprise, it is necessary to coordinate the basic triad of economic activity, namely: the investment strategy, resource management and portfolio of the organization.

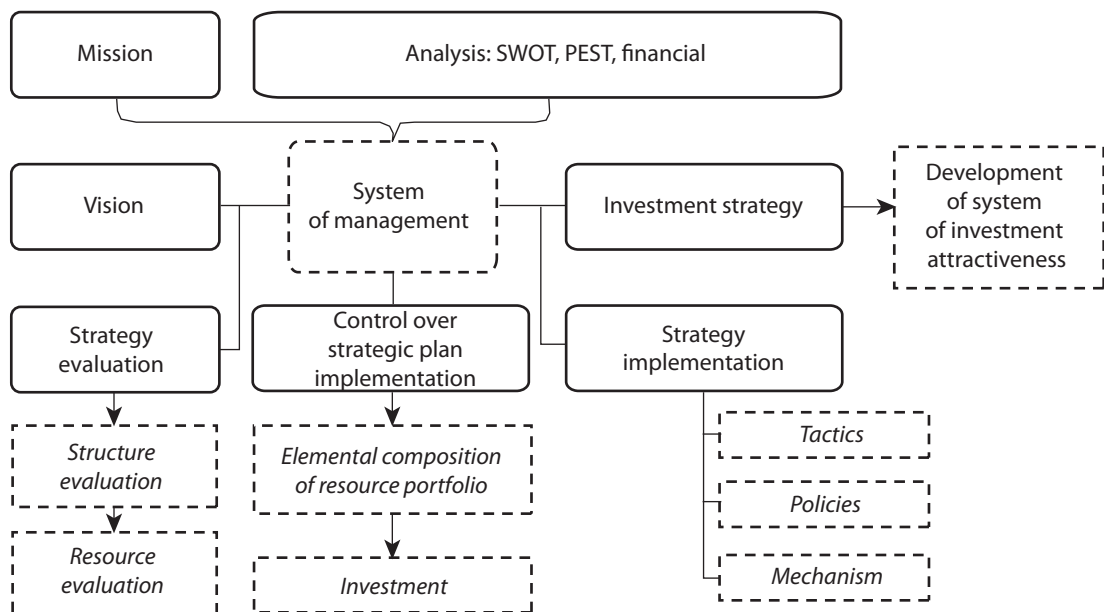


Fig. 2. Ensuring the enterprises investment attractiveness in the context of effective resource management

Source: developed by authors.

Management of strategic resources should be included to the responsibilities of the top management, along with the development of appropriate strategies and forecasts as to the growth in the value resulting from the resource transformation. If the management is unable to identify its strategic resources, it can lead to disastrous consequences for the financial situation at the enterprise.

Separating strategic resources as factors of value creation is possible when using the value chain shown in Fig. 3.

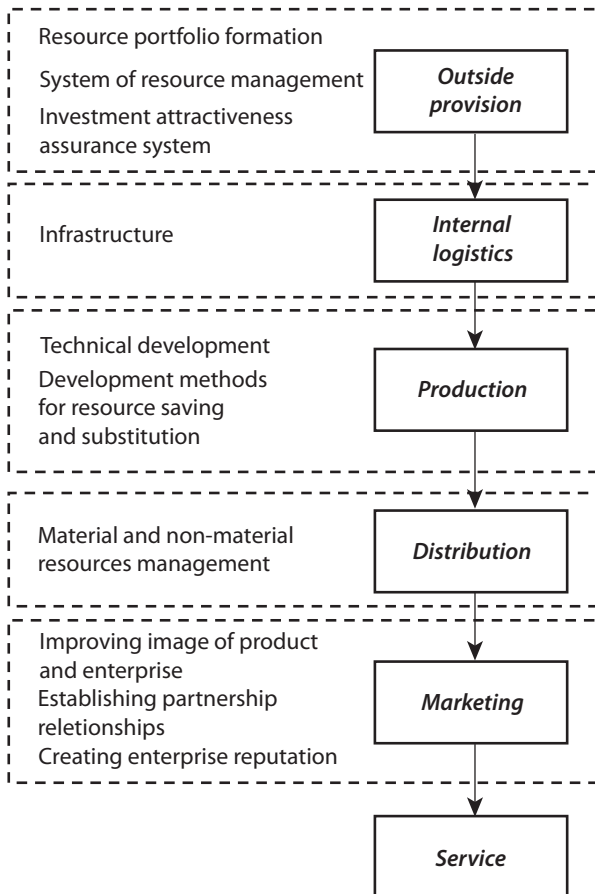


Fig. 3. The scheme of the value creation chain with regard to the systems of enterprise resource provision and investment attractiveness

Source: developed by authors.

This tool illustrates the main areas of internal firm processes. As clearly illustrated on the diagram, the systems of resource provision and investment attractiveness assurance are integrated into the classic value chain. Practically every stage, except the maintenance stage, includes processes and the subsystems that affect the elements described above [4-7]. Although all processes are clear and transparent, some of them require a detailed consideration.

First, it is necessary to form the resource portfolio of the enterprise at the first stage, that is, to determine the number, quality, price, and other characteristics of the resources required for the enterprise effective lifecycle. Also it is important to determine the suppliers of these resources and their substitutes.

The main element at the production stage is the development of methods of efficient use of resources and their

substitution. If the issue of efficient use of resources was widely covered in the scientific literature, the information about their substitution was presented to a lesser degree. Modern technical innovation can significantly change the structure of the resource portfolio. This concerns not only the production process itself but also the document flow and storage, communication, search and attraction of employees. The use of scientific achievements in the outlined aspect will significantly improve management of resource portfolio and investment attractiveness.

At the stage “marketing” basic measures are designed to improve the enterprise’s position among the similar ones [10-13]. In recent years scientists and practitioners agree that the image and reputation of the subject of economic activities should be carefully built and effectively managed, which will result in a positive effect — additional partners, better conditions, higher prices for products and others — on the enterprise activity.

Any enterprise focuses its strategic resources in the respective field of activity, which creates the largest share of cost in the comprehensive income. Activizing and combining the existing numerous possibilities and means of solving priority practical problems of rational use of resources to improve the investment attractiveness are a part of development and implementation of practical measures on creation and support of the enterprise resource management.

CONCLUSIONS

Taking into consideration the results of the study, we have concluded that under the current conditions of operation of businesses there observed the increase of competition in the resource market, which makes organizations to systematically upgrade their machinery and technological processes, improve the personnel skills, introduce modern management systems, automate all types of activities, etc. Innovative transformation typically requires the use of a significant amount of resources, emphasizing the importance of creating an effective system for managing resource provision of economic activity, as a guarantee of improving the enterprise investment attractiveness. ■

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