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## BUSINESS MODELLING IN THE STRATEGIC MANAGEMENT OF INTERNATIONAL HIGH-TECH COMPANIES

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### Zubkova A. B., Maihurova D. S. Business Modelling in the Strategic Management of International High-Tech Companies

The article is aimed at analyzing the conception of business model within the terms of enterprise strategic management and substantiating its influence on Ukrainian high-tech enterprises. Taking into account the fact that the conception of business model has long been explored by foreign scholars, it becomes necessary to determine how it is used in the strategic management of Ukrainian high-tech companies. Through the carried out content analysis of strategic management definitions provided by different authors, the main elements are allocated, which most scientists focus on, namely: process of strategy development, goal setting, analysis of the internal and external environment, and creation of value. Creation of value is a particularly important parameter of the high technology market, since the life cycle of such goods is short. Based on these data, it was decided to analyze 50 innovative companies of Ukraine and their business models according to the metrics of «Business Model Canvas», developed by the Swiss business theorist Alexander Osterwalder. The results of a frequency analysis helped to determine that Ukrainian companies have four weak structural elements of business models: clients, relationships with clients, key partners, and cost structure. It has been found that companies use their business models only as a marketing communications tool. But, unfortunately, without understanding the cost structure, clientele and partners for whom value is created, the strategic development of company is impossible.

**Keywords:** business model, strategic management, high-tech enterprises, business modeling, strategy, value creation, international business, marketing communications.

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**Зубкова А. Б., Майгурова Д. С. Бізнес-модель у стратегічному управлінні міжнародними високотехнологічними компаніями**

Метою статті є аналіз концепції бізнес-моделі в рамках стратегічного управління підприємством та обґрунтування її впливу на українські високотехнологічні підприємства. Беручи до уваги те, що концепція бізнес-моделі досить давно досліджується зарубіжними науковцями, виникає необхідність визначити, яким чином вона використовується у стратегічному управлінні українськими високотехнологічними компаніями. Завдяки проведеному контент-аналізу визначень стратегічного управління, наданих різними авторами, було виділено основні елементи, на яких зосереджують увагу більшість науковців, а саме: процес розробки стратегії, постановка цілей, аналіз внутрішнього та зовнішнього середовища та створення цінності. Створення цінності є особливо важливим параметром ринку високих технологій, оскільки життєвий цикл таких товарів короткий. На підставі цих даних було вирішено провести аналіз 50 інноваційних компаній України та їх бізнес-моделей за метриками «Канви бізнес-моделі», яка була розроблена швейцарським теоретиком бізнесу Олександром Остервальдером. Результати дослідження частотного аналізу допомогли встановити, що українські компанії мають чотири слабкі структурні елементи бізнес-моделей: клієнти, відносини з клієнтами, ключові партнери та структура витрат. Було виявлено, що компанії використовують свої бізнес-моделі тільки як інструмент маркетингових комунікацій. Але, на жаль, без розуміння структури витрат, своїх клієнтів і партнерів, для яких створюється цінність, стратегічний розвиток компанії неможливий.

**Ключові слова:** бізнес-модель, стратегічне управління, високотехнологічні підприємства, бізнес-моделювання, стратегія, створення вартості, міжнародний бізнес, маркетингові комунікації.

**Рис.:** 5. **Табл.:** 7. **Бібл.:** 29.

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Internationalization of Ukrainian companies into the global economic system requires managers to obtain new professional knowledge, skills and abilities in the field of strategic management. Managers not only have to start thinking strategically, but also to consider new development prospects and set priorities.

Besides, they have to develop new competencies, which are necessary to diagnose the situation and identify problems, to develop scenarios, to form and manage the implementation of strategic projects as well as to create new ways for capturing and delivering value.

Modern research on strategic management testifies to qualitative changes in the conditions necessary for the companies to function. In the context of the «new economy», globalization and changing market boundaries, business processes go beyond companies, and companies themselves become elements of strategic networks with an increasing and rapidly changing membership from different industries. Effective strategic management, which is largely interdisciplinary and is rapidly developing, integrates concepts, models and tools of economics, finance, and management as well as marketing, sociology and psychology, thus becoming a critical condition for ensuring competitiveness.

In such a situation, the concept of a business model arises as one of the most important elements of strategic management.

In the past years, the concept of a business model has become a popular element of strategic management not only for researchers, but for business, too. H. Chesbrough and R. Rosenbloom searching the web in May 2000, found 107,000 references to the term. In June 2004, another search found 2,130,000 mentions on Google; and

today the number of searches in Google is more than 109 million.

Today, the concept of a business model is consistent with many modern concepts of strategic management: value chain, resource-based view, competitive strategies, and value network theory.

A. Osterwalder and Y. Pigneur said that a business model describes the rationale of how an organization creates, delivers, and captures value [1].

Value chain makes it possible to determine the importance of different activities in creating value-added and identifying the cost structure. It allows identifying the driving forces in the formation of value for the consumer and the cost structure, to determine which activities are performed effectively and which are not. The value chain is a central element of strategic management, as well as the business model.

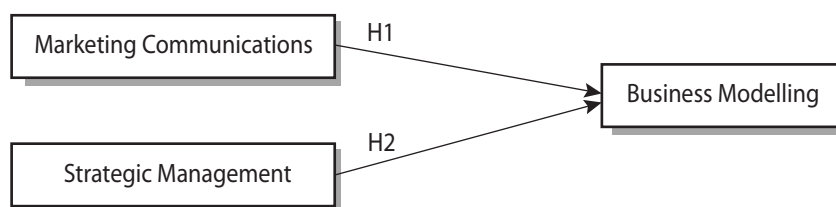
It is important to mention, that the concept of a business model is based on the use of resource approach and correlates with the resource-based view of strategic management. A business model is designed to reflect the unique set of internal resources and capabilities of an enterprise, as well as special ways of combining them, thus generating process innovations, which are a particularly important parameter of the high-tech services market, and helping to create competitive advantages.

Nowadays, internal resources and capabilities are becoming the foundation, on which a company can develop a long-term strategy. They help companies create value for the consumer and survive in a competitive environment. Long-term success in the business of many successful companies appears due to their

desire to use unique resources, willingness to improve their technology and develop organizational skills, all of which allows them to quickly adapt to changing environmental conditions.

However, we observe that lately, business modelling has started to replace strategic management in individual companies and at the global level. An important fact is that the relationships/ties/connections between business modelling and strategic management are not clear today. Such problem statement in our research encourages us to outline several hypotheses (Fig. 1).

- ✦ H1.0: business modelling has not only been used for marketing communications of companies.
- ✦ H1.1: business modelling has only been used for marketing communications of companies.
- ✦ H2.0: business modeling is not part of the strategic management of a company.
- ✦ H2.1: business modeling is part of the strategic management of a company.



**Fig. 1. Logical Framework of the Research**

According to the hypotheses of the research, it's obvious that we have to clearly understand the strategic management concept. So, it was decided to carry out content analysis of strategic management definitions by different authors and years of publication. The table with definitions is given below (Tbl. 1).

To consider the concepts in more detail it was decided to analyze the frequency of the use of keywords in the above-given definitions. This frequency is illustrated in a cloud in Fig. 2 below. Keywords mentioned most often are highlighted by larger font.

Fig. 2 demonstrates that the majority of authors consider strategic management as the process of developing strategies, setting the objectives, analyzing the internal and external environment and value creation.

It is necessary to mention here that value creation is a particularly important parameter for the high-tech market, as the life cycle of such products is short and requires constant modification and search for new opportunities for improvement in order to attract more potential consumers. This trend may mean that the emergence of new technologies will increase the need for the additional development of new business models as an element of strategic management.

To understand the idea of the business model concept as a strategic management element and its importance, and to give an illustrative example, it has been

decided to analyze the rating of Ukrainian innovative high-tech companies introduced by Delo.ua. During the research, we also analyzed, whether the company was international or local to understand the big picture. The rating itself is presented in Tbl. 2 [27].

According to the rating analysis, it was determined that out of the 50 companies, 20 were international, and 30 were local (Fig. 3).

In addition, we have found out an interesting fact, that 17 companies from the rating «often mention» their business model, both in their media resources and in reporting.

And it is especially interesting that 14 companies out of the 17 are international. These results are illustrated in Fig. 4.

Thus, we can summarize that the vast majority of international companies in this rating talk about their business model and mention it in their open sources of information.

Data on how companies describe their business model was measured using an expert assessment and ordinal rating scale, or a Likert scale, where score 1 means an element is not mentioned, and 5 means an element is fully described.

All elements have been taken from the «Business Model Canvas» (introduced by Alexander Osterwalder), which is one of the strategic management tools to describe the business models of new and existing companies. The model reviews all the company's business processes: customers, supply chain, resources, finance, and value creation [28].

According to Alexander Osterwalder, a business model has 9 components:

1. *Value Propositions* describe products and services that create value for a specific Customer Segment. The Value Proposition is the reason why customers prefer one company over another. It solves a customer's problem or satisfies a customer's need.
2. *Customer Segments* define groups of people or organizations an enterprise aims to reach and serve. Customers are the heart of any business model.
3. *Channels* describe how a company communicates with its Customer Segments and reaches them.

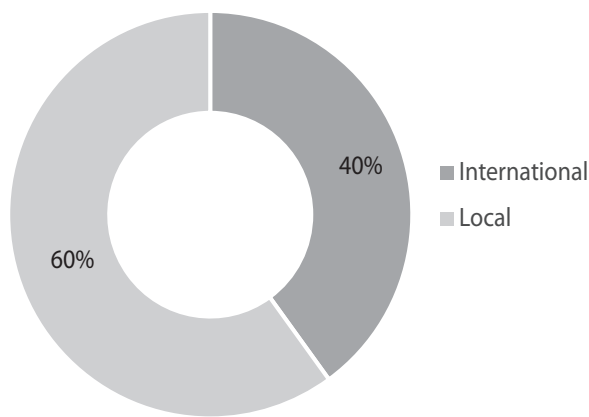
Strategic management definitions

No.	Author	Year	Definition
1	2	3	4
1	A. Bakar et al.	2011	Strategic management is a management process that is utilized specially to increase the performance of an organization's operations and administration. The application of strategic management practice in organizations can help the organizations to enhance their performance through improved effectiveness [2]
2	D. Schendel, C. Hofer	1979	Strategic management is a process that deals with the entrepreneurial work of the organisation, with organisational renewal and growth, and, more particularly, with developing and utilizing the strategy which is to guide the organisation's operations [3]
3	R. Nag, D. Hambrick, M.-J. Chen	2007	The field of strategic management deals with (a) the major intended and emergent initiatives (b) taken by general managers on behalf of owners, (c) involving utilization of resources (d) to enhance the performance (e) of firms (f) in their external environments [4]
4	D. Jemison	1981	Strategic management is the process by which general managers of complex organizations develop and use a strategy to coalign their organization's competences and the opportunities and constraints in the environment [5]
5	A. Van Cauwenbergh, K. Cool	1982	Strategic management deals with the formulation aspects (policy) and the implementation aspects (organization) of calculated behavior in new situations and is the basis for future administration when repetition of circumstances occur [6]
6	J. Bracker	1980	Strategic management entails the analysis of internal and external environments of firms to maximize the utilization of resources in relation to objectives [7]
7	R. Rumpelt, D. Schendel, D. Teece	1994	Strategic management is about the direction of organizations, most often, business firms. It includes those subjects of primary concern to senior management, or to anyone seeking reasons for success and failure among organizations [8]
8	G. Stonehouse, J. Pemberton	2002	Strategic management can be conceptualized as a set of theories and frameworks, supported by tools and techniques, designed to assist managers of organizations in thinking, planning and acting strategically [9]
9	H. Thomas, E. Bowman, H. Singh	2002	The strategic management field can be conceptualized as one centered on problems relating to the creation and sustainability of competitive advantage, or the pursuit of rents [10]
10	J. Parnell	2013	Furthermore, one of the major functions of the Strategic Management is to help managers in their choosing process when they need to pick up between different options [11]
11	J. Higgins, J. Vincze	1996	Strategic management is the process of administration the pursuit of organizations mission while managing the relationship of the organization to its environment [12]
12	I. Wilson, B. Essien	2012	Strategic management is a process of formulating, implementing, and evaluating, strategies to achieve long-term goals and sustain competitive advantages [13]
13	T. Wheelen, J. Hunger	2012	Thus, in the current competitive and economic world, many companies use strategic management as a significant structure to make the business environment more manageable [14]
14	J. Bryson	2011	In addition to that, the most important objective of the strategic management procedure is to help businesses to be successful by making themselves distinctive in a competitive way from other businesses and by giving them the chance to capitalize on their inner strengths and exterior chances while reducing their inner weaknesses and exterior threats [15]

1	2	3	4
15	I. Ansoff, E. McDonnell	1990	Strategic management constitutes a systematic approach to the management of changes, comprising: positioning the organization through strategy and planning, real time strategic response through the management of problems, and the systematic management of resistance during strategy implementation [16]
16	S. Porth	2011	Strategic management is definable as a cross process of formulation, implementation and evaluation of the decisions that enable organizations to define and achieve their mission and ultimately to create value [17]
17	R. Grant	2002	Strategic management involves a complex relationship between the organizational focus, the results obtained, and the broad spectrum of external and internal environmental variables of the organization [18]
18	D. Dess, G. Lumpkin, A. Eisner	2009	Strategic management in an organization must become a process and a single path guiding actions throughout the organization. It consists of organizational analysis, decisions and actions creating and sustaining competitive advantage [19]
19	J. Stead, W. Stead	2008	Strategic management as an ongoing process involving the efforts of strategic managers to adjust the organization to the environment in which it operates while developing competitive advantages. These competitive advantages enable the company to seize opportunities and minimize environmental threats [20]
20	J. Pearce, R. Robinson	2002	Strategic management is defined as the set of decisions and actions that result in the formulation and implementation of plans designed to achieve a company's objectives [21]
21	F. David	2010	Strategic management can be defined as the art and science of formulating, implementing, and evaluating cross-functional decisions that enable an organization to achieve its objectives [22]
22	M. Hitt, R. Ireland, R. Hoskisson	2007	The strategic management process is the full set of commitments, decisions, and actions required for a firm to achieve strategic competitiveness and earn above-average returns; strategic competitiveness is achieved when a firm successfully formulates and implements a value-creating strategy [23]
23	D. Teece	1990	Strategic management can be defined as the formulation, implementation, and evaluation of managerial actions that enhance the value of a business enterprise [24]
24	V. Becerra	2009	A collection of heterogeneous resources whose role in society, its organizational boundaries, and its actual performance is inherently associated with the creation of economic value for customers and its capture by the firm's resources and owners [25]
25	Strategic Management: Definition, Purpose and Example	2021	Strategic management is the planned use of a business' resources to reach company goals and objectives. Strategic management requires ongoing evaluation of the processes and procedures within an organization and external factors that may impact how the company functions. The process of strategic management should guide top-level programs and decisions. Companies of all sizes and in all industries can benefit from the practice of strategic management. [26]

4. *Customer Relationships* describe the types of relationships a company establishes with specific Customer Segments. A company should clarify the type of relationship it wants to establish with each Customer Segment. Relationships can range from personal to automated ones.
5. *Revenue Streams* represent the cash a company generates from each Customer Segment (costs must be subtracted from revenues to create earnings).
6. *Cost Structure* describes all costs incurred to operate a business model. This component describes the most important costs incurred while operating under a particular business model.
7. *Key Resources* describes the most important assets required to make a business model work. Every business model requires Key Resources. These resources allow an enterprise to create and offer a Value Proposition, reach markets, main-





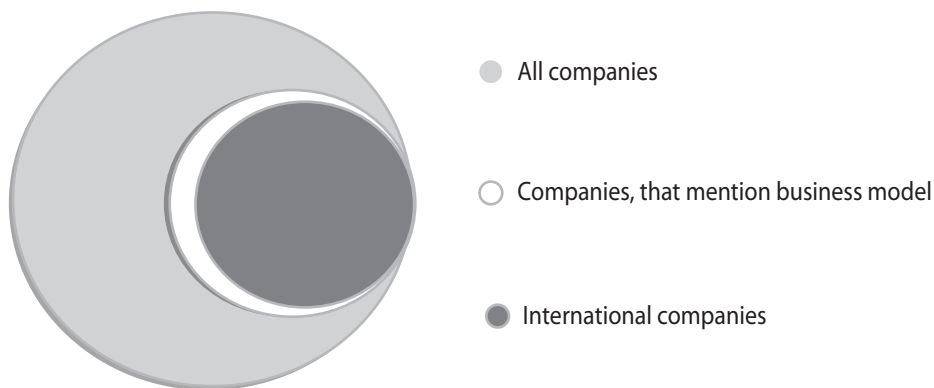
**Fig. 3. The ratio of international and local companies in the ranking**

tain relationships with Customer Segments, and earn revenues.

8. *Key Activities* describes the most important things a company must do to make its business model work. Every model requires many Key Activities. These are the most important actions a company must take to operate successfully.
9. *Partnerships* describes the network of suppliers and partners that make a business model work. Companies create partnerships for many reasons, and partnerships are becoming a cornerstone for many business models [28].

The assessment data is represented in *Tbl. 3*.

In addition, using the same principle we decided to analyze top international companies with foreign ownership in the same industries. With the help of this study, we have found out that Ukrainian companies have 4 main weak elements in their business models: customer segments, customer relationships, key partners, and cost structure. The opposite results have been obtained during the analysis of foreign companies. Those companies open the framework of their business models and place their business model under the sections of the strategy and strategic management in their public sources of information (*Tbl. 4*). The total score by each



**Fig. 4. Number of International companies that mention their business model in their open sources of information**

business model element of each foreign company equals 5 points. In addition, according to the content analysis and analysis of foreign companies, we can approve our hypothesis 2.1 that business modelling is part of strategic management.

To check the H1, we have analyzed the frequency of scoring each building block of the Business Model Canvas (*Tbl. 5*).

The result of the frequency analysis of scoring each building block of the Business Model Canvas conducted with the help of the SPSS software is presented in *Tbl. 5*. Key Activities, Key Resources, Value Proposition (mode value is 5) are most frequently published in the official media resources of the high-tech companies from the sample. Partner Network, Customer Segments, Channels, Customer Relations, Cost Structure, Revenue Streams (mode value is 1) are less presented in the official media resources of the high-tech companies from the sample.

At the same time, the median value by this business model information, less frequently given in the official media, significantly differs from the mode only in two cases, namely: Channels and Revenue Streams. It means that on average companies are trying to pay attention to these building blocks in the description of their business models.

The visualization of this data by putting it into the Canvas and coloring is suggested in *Fig. 5*, which shows that even **Customer Segments** and **Customer Relationships** are black boxes for the high-tech companies from the sample.

To disclose more data about Customer Segments scores cross-tabulation analysis has been used (*Tbl. 6*).

The cross-tabulation analysis of Customer Segments and Mentions of business model in company's media has shown a polar distribution: the highest (40% within Mentions in Site Chapters variable) and lowest (50% within Mentions in Site Chapters variable) scores for the Customers Segments are located in different parts of the web sites of the sample companies, but not in special sections or reports. Only two companies from

Table 3

## Analysis of companies' business models by the «Business Model Canvas» strategic management tool

Element/Company	Metinvest	FED	Interpipe	Comfy	OKKO	Carlsberg Ukraine	Imperial Tobacco	MHP	Kernel	ASTARTA	IMK	PUMB	ALFA Bank	PRIVAT	OTP	UKLON
Key Activities	5	4	5	5	5	5	5	5	5	5	5	5	5	5	5	5
Key Resources	5	5	1	1	1	1	1	5	5	5	5	1	1	5	4	5
Partner Network	1	1	1	1	1	1	4	1	3	5	1	1	1	1	1	1
Value Proposition	4	1	1	1	5	5	5	5	5	5	5	2	5	5	4	5
Customer Segments	1	1	5	1	1	4	5	1	1	3	5	1	5	5	1	1
Channels	4	1	5	1	2	4	5	5	4	5	1	1	1	5	1	1
Customer Relationships	1	1	1	5	1	1	5	1	1	1	1	5	1	1	2	5
Cost Structure	4	5	5	1	5	1	5	1	2	1	1	1	1	5	1	1
Revenue Streams	4	1	5	1	5	1	4	5	5	1	1	5	1	5	3	1

Table 4

## International companies with foreign ownership having a Business Model page in their web-site navigations

Industry	Company	Site Navigation
Manufacturing	BP	Home > What We Do > Our Strategy > Our Business Model
Retail	Allegro	About Allegro > What We Do > Our Business Model
FMCG	Coca Cola	Home > About Us > Who We Are > Our Business Model
Agroindustry	Olam	Home > Investors > Company Information > Business Model and Strategy
Finance	PwC	UK Home > About Us > Our Purpose > Strategy > Our Business Model
Logistics	Scania	Scania > Scania in Brief > How We Create Value > Our Business Model

Table 5

## The Frequency Analysis by Canvas Building Blocks of Ukrainian High-Tech Companies

		Statistics								
		Key Activities	Key Resources	Partners Network	Value Proposition	Customer Segments	Channels	Customer Relations	Cost Structure	Revenue Streams
N	Valid	16	16	16	16	16	16	16	16	16
	Missing	0	0	0	0	0	0	0	0	0
Mean		4.94	3.19	1.56	3.94	2.56	2.81	2.06	2.50	3.00
Median		5.00	4.50	1.00	5.00	1.00	3.00	1.00	1.00	3.50
Mode		5	5	1	5	1	1	1	1	1
Std. Deviation		.250	2.007	1.263	1.652	1.896	1.940	1.769	1.897	1.897
Variance		.063	4.029	1.596	2.729	3.596	3.763	3.129	3.600	3.600



Key Partners	Key Activities	Value Propositions	Customer Relationships	Customer Segments
	Key Resources		Channels	
Cost Structure		Revenue Streams		

Fig. 5. The Building Blocks of Business Model Canvas of Ukrainian High-Tech Companies by Weak and Strong Presentation in Media

Table 6

The cross-tabulation analysis of Customer Segments and Mentions in Site Chapters scores

			Mentions in site chapters. 6-in more than 1 chapter, 5 – Business Model Chapter, 4 – Sustainability Report, 3 – Annual Reports, 2 – About Company Chapter, 1 – Media (Blog, Posts by company, etc.)					Total
			1	3	4	5	6	
Customer Segments	5	Count	0	1	0	0	4	5
		% within Customer Segments	.0%	20.0%	.0%	.0%	80.0%	100.0%
		% within Mentions in site chapters	.0%	50.0%	.0%	.0%	40.0%	31.3%
	4	Count	0	1	0	0	0	1
		% within Customer Segments	.0%	100.0%	.0%	.0%	.0%	100.0%
		% within Mentions in site chapters	.0%	50.0%	.0%	.0%	.0%	6.3%
	3	Count	0	0	0	0	1	1
		% within Customer Segments	.0%	.0%	.0%	.0%	100.0%	100.0%
		% within Mentions in site chapters.	.0%	.0%	.0%	.0%	10.0%	6.3%
	1	Count	2	0	1	1	5	9
		% within Customer Segments	22.2%	.0%	11.1%	11.1%	55.6%	100.0%
		% within Mentions in site chapters.	100.0%	.0%	100.0%	100.0%	50.0%	56.3%
Total	Count	2	2	1	1	10	16	
	% within Customer Segments	12.5%	12.5%	6.3%	6.3%	62.5%	100.0%	
	% within Mentions in site chapters	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	

МЕНЕДЖМЕНТ І МАРКЕТИНГ

ЕКОНОМІКА

the sample have used their annual report to disclose the Customers Segments information and thus received the highest scores (5 and 4). But 5 scores for the Customers Segments with the presenting it in the annual report have been received only by 20% of the sample companies, 80% have used multimedia approach and diffusion of information. Only one company uses the Business Model special chapter to disclose the information about its business model, but this company received the lowest scores

by Customer Segments measurement. However, building a strategy is impossible without understanding the requirements of a company's customers.

This data reject hypothesis H1.0 for the Ukrainian sample and proof hypothesis H1.1: business modelling has been used only for marketing communications of the companies. Unfortunately, here we see a marketing point of view, or using media to promote a company in the current situation. Unfortunately, this strategy helps to win

in the short run but is self-defeating from the strategic viewpoint. Companies have started to use business models for reports and communications but not for developing the architecture for value creation and delivery.

We have also found out that performance of the companies has neither significant nor even middle correlation with the overall assessment of a business model (Tbl. 7). For that purpose, we have analyzed profit received in the 2019–2015 fiscal years and computed all the scores for the business model blocks measurement into one indicator – CanvaScoreOverall. The results give another evidence of the marketing reasons for the companies from the Ukrainian sample to use business modelling as a way of their media promotion.

This trend may mean that the emergence of new technologies will increase the need for additional development of new business models as an element of strategic management.

To understand the idea of the business model concept in strategic management, as well as its importance, and to give a demonstrative example, it has been decided to analyze the rating of 50 Ukrainian high-tech and innovative companies introduced by Delo.ua. During this research, in order to understand the big picture, we also analyzed, whether a company is international or local.

It is important to note that while analyzing the companies mentioned we found out that 17 companies from the list often mentioned their business models, both in their media resources and in reporting. Besides,

Table 7

Correlation of profit indicators with the business model scores of the Ukrainian high-tech companies

		CanvaScore Overall	Net Profit 2019	Net Profit 2018	Net Profit 2017	Net Profit 2016	Net Profit 2015
CanvaScore Overall	Pearson Correlation	1	.084	.089	.174	.200	.160
	Sig. (2-tailed)		.765	.753	.535	.474	.570
	N	16	15	15	15	15	15

In our previous research it was concluded that a business model is nothing without marketing, and suggested a slogan – *brand it to compete* [29]. But too much branding with less sense behind creates soap bubbles rather than resistance and resilience, but at the same time, business architecture and long term strategical approach in company management.

## CONCLUSIONS

In the past years, the concept of a business model has become a popular element of strategic management not only for researchers but for business, too. H. Chesbrough and R. Rosenbloom searching the web in May 2000 found 107,000 references to the term. In June 2004, another search produced 2,130,000 mentions on Google; today, the number of searches in Google is more than 109 million.

To clearly understand the strategic management concept, it was decided to carry out content analysis of strategic management definitions by different authors and years of publication. We have found out that the majority of authors consider strategic management as the process of developing strategies, setting the objectives, analyzing the internal and external environment, and creating value.

It is necessary to mention that value creation is a particularly important parameter for the high-tech market, as the life cycle of such products is short and requires constant modification and search for new opportunities for improvement to attract more potential consumers.

14 companies out of the 17 are international. Thus, we can summarize that a vast majority of international companies in this rating talk about their business model and mention it in their open sources of information.

To understand the way companies describe their business model, an expert assessment has been carried out using an ordinal rating scale, or Likert scale, where score 1 means an element is not mentioned, and 5 means an element is fully described. The elements have been taken from «Business Model Canvas» (introduced by Alexander Osterwalder), one of the strategic management tools to describe the business models of new and existing companies, which review all the company's business processes: customers, supply chain, resources, finance, and certainly, value creation.

Guided by the same principle, we decided to analyze top international companies with foreign ownership in the same industries.

The frequency analysis of the scores received by each building block of the Business Model Canvas of Ukrainian companies helped us determine the fact that Ukrainian companies have 4 main weak building blocks in their business models description, namely: customer segments, customer relationships, key partners and cost structure. The opposite results have been obtained during the analysis of foreign companies. Those companies open the framework of their business models and place their business models in their open sources, namely, in the sections dedicated to the strategy and strategic mana-

gement. Moreover, all foreign companies from different industries have an average evaluation of 5 points on each building block of their business models.

Due to cross-tabulation analysis, we have come to conclusion that Ukrainian companies use their business models only as a tool for marketing communications. Companies have started to use business model for reports and communications but not for developing the architecture for value creation and delivery. Foreign companies, unlike their Ukrainian counterparts, are open in their business model description. Such behavior of conservative Ukrainian companies could be explained by their fear to be more open and to show more global and transparent information about the company activity. However, the strategic development of a company is impossible without understanding the customers and partners for whom value is created, so we can say that such behavior is nothing but mimicry. Thus, a question arises on how to integrate a business model into the strategic management of Ukrainian companies. ■

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