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ORGANIZATION OF THE PROCESS OF ATTRACTING VENTURE BUSINESS TO THE DEVELOPMENT OF INDUSTRIAL ENTERPRISES

ОРГАНІЗАЦІЯ ПРОЦЕСУ ЗАЛУЧЕННЯ ВЕНЧУРНОГО БІЗНЕСУ ДО РОЗВИТКУ ПРОМИСЛОВИХ ПІДПРИЄМСТВ

It is proposed to understand the effectiveness of attracting venture business to the development of industrial enterprises as the ratio of the economic effect received from entrepreneurial activity. The adoption of the author's proposals allows us to ensure the effectiveness of attracting venture business into the activities of industrial enterprises. Ensuring the effectiveness of attracting venture business to the development of industrial enterprises includes a set of methodological approaches to assessing the effectiveness of enterprise development, selecting venture projects, and organizing the process of attracting venture business, predicting its effectiveness. Based on the allegations presented, the author proposes to evaluate the development efficiency of the enterprise in four areas: the efficiency of production, the efficiency of management, the efficiency of personnel, and the efficiency of the financial activity of the enterprise. Each of the proposed areas is equivalent and have the same contribution to the development of an industrial enterprise.

Keywords: *venture business, efficiency, attracting venture business, industrial enterprise development, process of attracting venture business, organization of process of attracting venture business.*

Запропоновано під ефективністю залучення венчурного бізнесу до розвитку промислових підприємств розуміти співвідношення економічного ефекту отриманого від підприємницької діяльності. Прийняття авторських пропозицій дозволяє забезпечити ефективність залучення венчурного бізнесу в діяльність промислових підприємств. В сучасних умовах нестабільності та зростання непередбачуваності соціально-економічного розвитку країни промислові підприємства потребують збільшення адаптаційної спроможності та оцінки щодо забезпечення ефективності залучення венчурного бізнесу до розвитку промислових підприємств. В першу чергу це можливо за рахунок вимірювання динамічного характеру параметрів кон'юнктури ринку та забезпеченням підвищення ефективності венчурного бізнесу, розробки відтворювальних проектів шляхом формалізації умов ефективності та оцінювання рівня конкурентоспроможності продукції на основі венчурної стратегії підприємства та формування організаційно-економічного забезпечення реалізації подібних проектів. Забезпечення ефективності залучення венчурного бізнесу до розвитку промислових підприємств включає у себе комплекс методичних підходів щодо оцінки ефективності розвитку підприємств, відбору венчурних проектів та організації процесу залучення венчурного бізнесу, прогнозу його ефективності. Ефективність розвитку підприємства складна характеристика, для того, щоб повноцінно проаналізувати діяльність підприємства, зробити чіткі висновки про його стан, необхідно розглядати систему показників в сукупності. Адже, якщо той або інший показник залежить від іншого прямо або побічно, його значення змінюється. Оскільки ефективність розвитку підприємства слід розуміти як співвідношення ефекту від позитивних змін кількісних та якісних показників якості функціонування підприємства та ресурсів (витрат), що воно понесло на досягнення цього ефекту, методичний підхід до оцінки такої ефективності буде ґрунтуватися на основі відносних показників. На підставі представлених стверджень автор пропонує проводити оцінку ефективності розвитку підприємства за чотирима напрямками: ефективність виробництва, ефективність управління, ефективність роботи персоналу та ефективність фінансової діяльності підприємства, що дає змогу в повній мірі оцінити рівень розвитку підприємства. Кожен з запропонованих напрямів є рівнозначним та робить однаковий вклад в розвиток промислового підприємства.

Ключові слова: *венчурний бізнес, ефективність, залучення венчурного бізнесу, розвиток промислових підприємств, процес залучення венчурного бізнесу, організація процесу залучення венчурного бізнесу.*

Предложено под эффективностью привлечения венчурного бизнеса к развитию промышленных предприятий понимать соотношение экономического эффекта, полученного от предпринимательской деятельности. Принятие авторских предложений позволяет обеспечить эффективность привлечения венчурного бизнеса в деятельность промышленных предприятий. Обеспечение эффективности привлечения венчурного бизнеса к развитию промышленных предприятий включает в себя комплекс методических подходов к оценке эффективности развития предприятий, отбора венчурных проектов и организации процесса привлечения венчурного бизнеса, прогноза его эффективности. На основании представленных утверждений автор предлагает проводить оценку эффективности развития предприятия по четырем направлениям: эффективность производства, эффективность управления, эффективность работы персонала и эффективность финансовой деятельности предприятия, что позволяет в полной мере оценить уровень развития предприятия. Каждое направление равнозначно и делает одинаковый вклад в развитие промышленного предприятия.

Ключевые слова: венчурный бизнес, эффективность, привлечение венчурного бизнеса, развитие промышленных предприятий, процесс привлечения венчурного бизнеса, организация процесса привлечения венчурного бизнеса.

Problem statement. The competitiveness and profitability of national industrial enterprises' products, the economic and social efficiency of their activities mainly depend on the ability to ensure continuous growth, renovation, and involvement of venture business to the industrial enterprises' development.

It should be considered that in the current conditions of instability and increasing unpredictability of the country's socio-economic development, industrial enterprises need to increase the adaptive capacity and assessment to ensure the effectiveness of attracting venture capital to the industrial enterprises' development. First of all, it is possible by measuring the dynamic nature of market conditions and ensuring the improvement of venture business efficiency, developing reproduction projects by formalizing the conditions of efficiency, assessing the level of product competitiveness on the basis of venture enterprise strategy, and forming organizational and economic support to implement such projects.

Overview of recent research and studies. The current state of the economy of Ukraine is characterized by a series of crisis phenomena such as volatile exchange rates, uncertainty in trade relations with partner countries, reduction of domestic and foreign investments, a sharp decline in the population solvency, and reduced demand for Ukrainian products in foreign and domestic markets. It is necessary to find new ways of doing business that allow functioning fully in the environment of unstable and risky conditions, one of such innovative ways of doing business is venture business.

Having started a free trade area with the EU, Ukraine has embarked on the path of economic integration, which, as it is known, consists of successive stages of deepening economic relations. Therefore, at the present stage of economic development, one of the leading issues is to modernize domestic industries and their transition to an innovative path of development. At present, for the sake of compliance with EU standards in the economy of Ukraine, significant changes are taking place within the framework of the Sustainable Development Strategy "Ukraine – 2020", namely harmonizing tax legislation, centralizing research and development funding programs, and creating a mechanism to ensure financial stability.

Despite attempts to obtain satisfactory results, the mechanisms for introducing new ideas and new technologies into the production, management, and organization of the relevant processes requires detailed

research and further improvement. The sharpest their imperfection is reflected in the country's industry, which shapes not only the country's production capacity but also its socio-economic development. Attracting venture business in the development of industrial enterprises of Ukraine allows enterprises to enter the world trade markets with industrial products and become competitive.

Referring to the domestic definitions of "venture business", it should be noted that most authors point out that the venture business is an entrepreneurial activity or its branch, but some authors define venture business as risky business without mentioning the definition "entrepreneurship". In the scientific work "Venture Business: Management and Development Features" the author defines that venture business is a risky business that is an important form of technological innovation used in commercializing research results in knowledge-intensive industries.

Merriam-Webster, the most complete dictionary of English vocabulary as a major interpretation of the word "venture" indicates that it is a verb that appeared in medieval English around the 15th century and represents the abbreviation and alternative of the word "aventuren": the so-called risk, game, in some sense danger. Obviously, it is from here the direct interpretation of the definition venture business has become traditional [1].

On the other hand, Professor J. B. Tidell, a prominent American linguist, mentioned that this word appeared firstly in English translations of the Bible. From his point of view, "venture" is a noun that appears in the first book of Kings, where the interpretation of this definition is associated with such meaning as chance, luck, and fate [2]. Under these conditions, the definition "venture business" appears in a slightly different form. It is no longer a risky business but a "business of luck" – business that is based on a chance.

However, the main is the first interpretation and that is why foreign sources give meaningful definitions of venture business. The most up-to-date edition of Business Dictionary from Finance Inc. discloses the notion of venture business as a start-up of the enterprise to get profit.

Venture business can be also interpreted as a small business. It is a process of investing one or more individuals, as well as groups in a business, with a financial benefit calculation for all investors. The majority of classic commercial enterprises are created based on market demand or lack of supply in the market. Venture

enterprises, based on direct accounting of consumer needs, offer to develop market ideas and sell a product or service that has just been developed for this purpose [3]. In foreign sources of scientific literature, the term “venture business” (original venture business) is not as common as “venture capital” (original venture capital) and private equity (original private equity).

In the US, the understanding of these terms is limited to the early stages of new business development and high technology investment. On the other hand, the leading European venture capital organization, the European Private Equity & Venture Capital Association (EVCA) (original European Private Equity & Venture Capital Association – EVCA) gives a direct economic definition of venture capital, referring to it as “equity provided by professional investing firms at the same time taking part in the management, in the private enterprises that demonstrates considerable growth potential, in the phases of their initial development, expansion, and transformation” [4].

The most common among domestic and foreign scientists is the interpretation of the definition “venture business” as an entrepreneurial activity or its separate branch. Kyiv scientists O. P. Zinchenko, V. P. Ilchuk, L. F. Radzievskaya, and V. M. Yevtushenko consider that venture business is an area of entrepreneurial activity related to the implementation of risky projects, risky investments mainly in the field of scientific and technological innovations [5]. In this interpretation, scientists emphasize not only that venture business is an area of the entrepreneurial activity but also that it is associated with a high degree of risk.

Highlighting previously unresolved parts of a common problem. The process of engaging venture business in enterprise development arises when it is necessary to analyse the definition “efficiency”. The definition of “efficiency” is not clearly defined. Till nowadays, this definition has been the subject of scientific debate in various fields and it is undoubtedly one of the central ones in economic science. Many economists consider that efficiency is an objective economic category that with the skilful use of existing economic laws has its own qualitative and quantitative characteristics. It expresses the effect of using aggregate social work and capital invested in the production of social and economic spheres [6].

It is considered that the term “efficiency” originally appeared in the economic literature. It is confirmed using this term in the works of such founders of classical political economy as W. Petty, F. Quesnay, and D. Ricardo. However, using this term, they have ambiguously referred to the definition “efficiency”. For example, William Petty and François Quesnay did not use “efficiency” as an independent definition. They use the term “efficiency” as “outcome”, as an opportunity to evaluate the activities of the government and its ability to revive economic life. David Ricardo defines efficiency as the ratio of an effect (result) to the cost or resources spent to obtain that effect. Since then, the definition of “efficiency” has become an economic category [7].

One of the first management theorists G. Emerson considered efficiency as the primary task of management [8]. He made an important contribution to the de-

velopment of the definition “efficiency”. He highlighted the relationship between efficiency and functionality.

However, it is considered that the basis of the economic efficiency study was laid by the Italian economist Vilfredo Pareto, who wrote the treatise “Manual of Political Economy” in 1906. Nowadays, Pareto’s efficiency means the state of the system when it is impossible to improve the state of any of its elements without worsening the state of others. According to scientist O. Sukharev, such a view is broad. From the Pareto’s efficiency criterion follows that the highest efficiency satisfies the interests of all agents and denies damage. O. Sukharev points out that efficiency is a relative definition [9].

Although many scientific papers are devoted to determining efficiency, there is no single approach to determining it. According to E. N. Chizhova, A. N. Brezhneva, the effectiveness of economic activity can be regarded as the relationship between scientific and technical, social and environmental, and economic effects [10]. In turn, “effect” (from Latin “effectus” – performance, action and “efficio” – performing an action, [11]) means the result of any action. It should be noted that the above-mentioned effects are different in nature. It is impossible to summarize them to generalize the result, as each of them characterizes the result of economic activity only by the appropriate criteria.

Purpose statement. The purpose of the article is to consider the developing process of ensuring the efficiency of attracting venture business in the industrial enterprises’ development. From the point of view of the article’s purpose implementation, such tasks were set as justifying the development process on the estimation of the efficiency of Ukrainian enterprises’ development attracting venture business and implementing the efficiency forecast as for developing industrial enterprises through attracting venture business.

Statement of the main research material. The development of industrial enterprise should be understood as a positive change in the quantitative and qualitative indicators of the efficiency of the industrial enterprise operation. It is subjected to outside influence to transit to another state.

Systematizing the definition of all the components of attracting venture business to develop industrial enterprises, it becomes possible to form a diagram of the efficiency of attracting venture business in the development of industrial enterprises. It is shown in Fig. 1.

Therefore, the efficiency of attracting venture business in the development of industrial enterprises – is the ratio of the economic effect obtained from entrepreneurial activity, within which the use of risky investments in the innovative development of the industrial enterprise of the science-intensive industry. It is prone to positive changes in quantitative and qualitative indicators of functioning, to spend resources that the investor uses in this business activity.

The efficiency of the financial activity of the enterprise should be evaluated not only as a whole but also separately by the following elements: “efficiency of production”, “efficiency of management”, “efficiency of personnel”, and “efficiency of enterprise development” (Fig. 2).

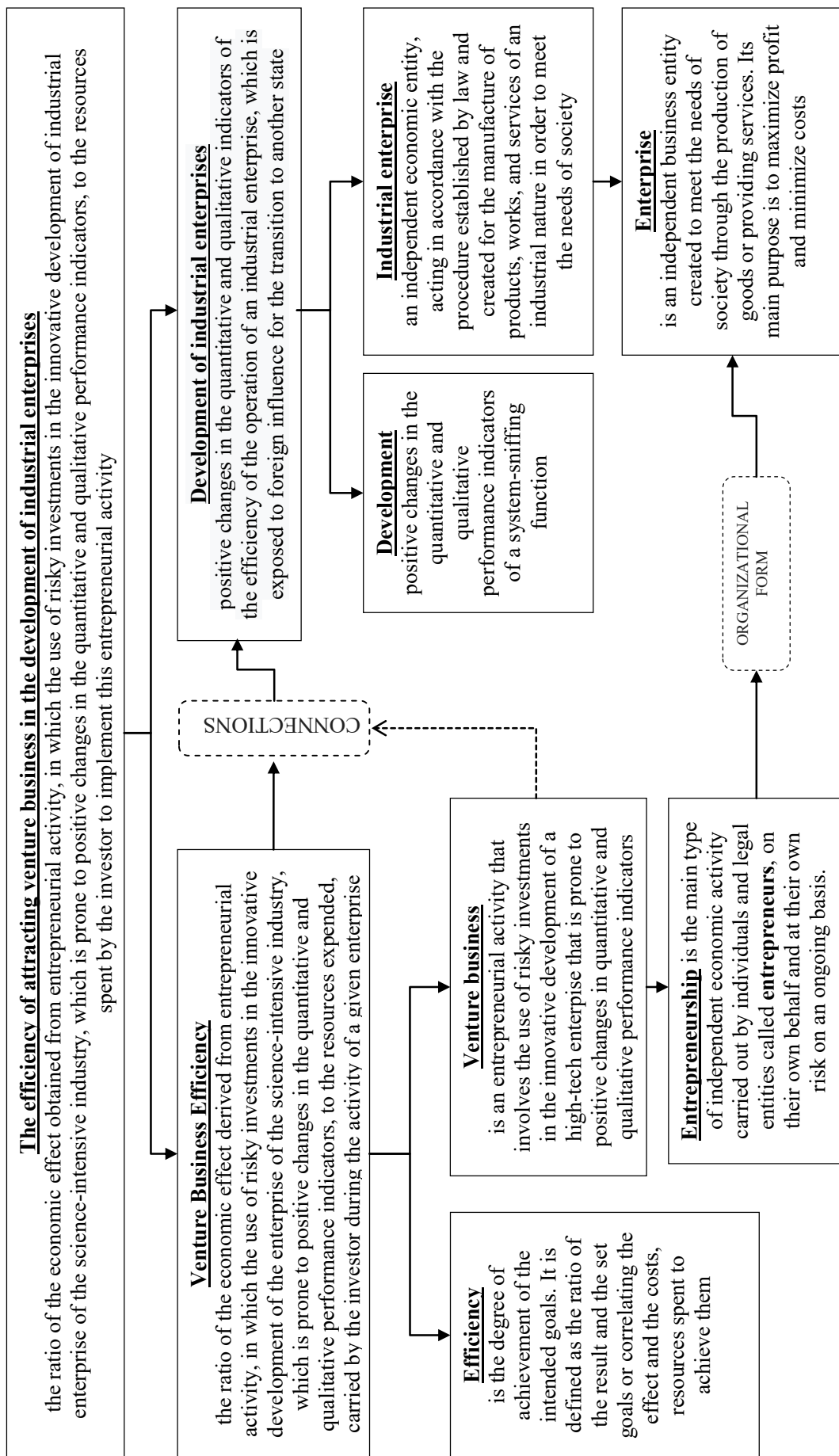


Fig. 1. Diagram of the efficiency of attracting venture business in the development of industrial enterprises

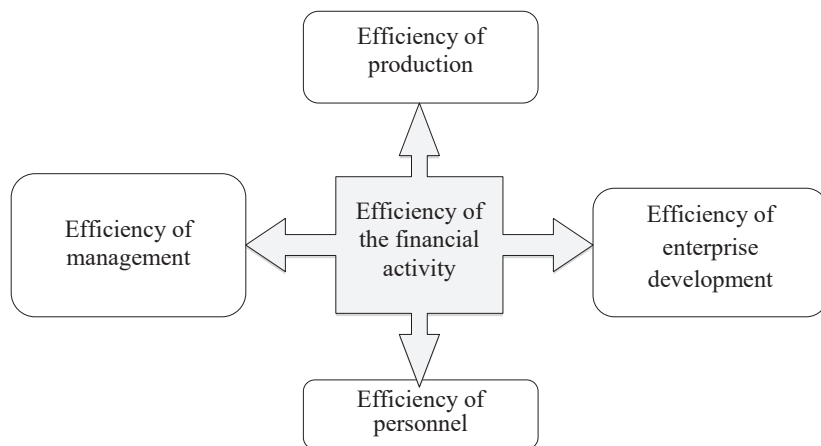


Fig. 2. Evaluation of components of the efficiency of enterprise development

Modern methodological approaches to determining the evaluation indicators of this component involve a comprehensive evaluation and affect the financial aspect, which determines the efficiency based on the financial results of the enterprise activity; the customer aspect that determines the efficiency through the indicators of customer satisfaction; the aspect of internal business processes that determines the efficiency based on the indicators of the efficiency of using production technology and the aspect of updating and training that determines the efficiency based on the indicators of the labour resources usage [12].

Evaluation of enterprise development efficiency – is the main method of evaluation, which is considered in the economic literature as “process-oriented analysis of profitability”, M. Meyer is considered the developer of this theory. In his research, the author proposes a separate methodology that takes into account the advantages of existing evaluation techniques, as well as eliminates their disadvantages and allows evaluating the effectiveness at all levels of management, starting with the enterprise and its departments and ending with business processes and specific types of products. The indicators of the evaluation of business efficiency according to process-oriented profitability analysis should meet the following criteria: minimalism, because in case of a large number of indicators important information may be lost; utility for forecasting; universal character and stability [13].

Evaluation of enterprise development efficiency is the degree of achievement of the intended goals. It

is defined as the ratio of the outcome and the set goals or the ratio of the effect and the cost, the resources spent to achieve them, with a mandatory factor of time. At the same time, there is a necessity to study the essence of the category “efficiency of enterprise development”. Since evaluation of enterprise development efficiency is a positive change in the quantitative and qualitative indicators of the quality of functioning of the enterprise, which is affected by the transition to another state, the efficiency of enterprise development should be understood as the ratio of positive changes in the quantitative and qualitative indicators of the quality of functioning of the enterprise and resources (costs) spent to achieve this effect [14].

Evaluation of enterprise development efficiency should be evaluated in four directions, namely: the efficiency of production, the efficiency of management, the efficiency of personnel, and the efficiency of financial activity. Such a list of directions was selected based on the previously conducted analysis of existing methodological approaches to evaluating the efficiency of the enterprise. This approach to the evaluation of the efficiency of enterprise development allows obtaining its full description. The system of indicators within the highlighted areas is shown in Table 1.

Therefore, the efficiency of enterprise development is a complex characteristic, in order to fully analyse the enterprise activity, to draw clear conclusions about its condition, it is necessary to consider the system of indicators in a whole. So, if one or the other indicator depends on the other directly or indirectly, its value changes. Since the efficiency of enterprise development should be understood as the ratio of the effect of positive changes in the quantitative and qualitative indicators of the quality of enterprise functioning and resources (costs), spent to achieve this effect, methodological approach to evaluate such efficiency will be built on the basis of relative indicators.

Conclusions. Thus, according to the results of the existing approaches analysis of to the evaluation of the enterprise activity, the author concluded that the abovementioned scientists did not pay sufficient attention to the innovative component of development.

Table 1

The system of indicators of the evaluation of the efficiency of enterprise development

Direction of the evaluation	Indicators
Efficiency of production	Fund return, capital intensity, material return, profitability of production, profitability of fixed assets, profitability of industrial costs, ratio of stocks turnover, duration of one revolution of stocks.
Efficiency of management	Profitability of administrative expenses, profitability of expenses of operating activity, profitability of investments, rates of decrease in cost of sales.
Efficiency of personnel	Labour productivity, stock-raising, material-stocking, staff turnover, volume of sales per employee.
Efficiency of financial activity	Absolute liquidity ratio, current assets turnover ratio, general liquidity ratio, financial autonomy ratio, financial risk ratio, current assets ratio, long-term financial independence ratio, return on equity.

After all, the trends and phenomena that today mainly determine the state of the Ukrainian economy, namely, structural and sectoral problems of production, its large resource dependence, the situational nature of economic growth, the necessity for diversification, the threat of recession due to instability of the fuel and energy market, domination of non-competitive goods and services produced by industrial enterprises are primarily a consequence of the low level of innovative development of the country.

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