

МІНІСТЕРСТВО ОСВІТИ І НАУКИ УКРАЇНИ
НАЦІОНАЛЬНИЙ АВІАЦІЙНИЙ УНІВЕРСИТЕТ

Кафедра менеджменту зовнішньоекономічної

діяльності підприємств

ДОПУСТИТИ ДО ЗАХИСТУ

Завідувач кафедри

Кириленко О.М.

“ ” 2020 р.

ДИПЛОМНА РОБОТА

(ПОЯСНЮВАЛЬНА ЗАПИСКА)

ВИПУСКНИКА ОСВІТНЬОГО СТУПЕНЮ “МАГІСТР”
спеціальності 073 «Менеджмент»,
ОПП «Менеджмент зовнішньоекономічної діяльності»

Тема: Стратегія виходу ТОВ «ЕКОЗОН» на міжнародний ринок

Виконав: Дворецький Гліб Ростиславович

Керівник: к.е.н., доц. Литвиненко Лариса Леонідівна

Консультанти з розділів:

Нормоконтролер з ЄСКД (ЄСПД): _____ (Литвиненко Л.Л.)

_____ (Серьогін С.С.)

Київ-2020

MINISTRY OF EDUCATION AND SCIENCE OF UKRAINE
NATIONAL AVIATION UNIVERSITY

Management of Foreign Economic Activity of Enterprises Department

ALLOW TO THE DEFENSE

Head of the Department

_____ *O. Kyrylenko*

“ _____ ” _____ *2020*

MASTER THESIS
(EXPLANATORY NOTE)

Specialty: 073 "Management"

Educational Professional Program: "Management of Foreign Economic Activity"

Topic: *Entry strategy of LLC "Ecozon" to international market*

Performed by: *Dvoretskyi Hlib Rostyslavovych*

Scientific adviser: *Ph.D. in Economics, assoc. prof. Lytvynenko Larysa*

Consultants for the parts:

Norm-controller of USCD (USPD): _____ / *L.L. Lytvynenko* /

_____ / *S.S. Seryogin* /

Kyiv – 2020

NATIONAL AVIATION UNIVERSITY

Faculty TML Department Management of Foreign Economic Activity of Enterprises

Educational level Master

Specialty: 073 "Management"

Educational Professional Program: "Management of Foreign Economic Activity"

APPROVED

Head of the Department

O. Kyrylenko

“ ” _____ 2019

TASK

to perform Master Thesis by student

Dvoretzkyi Hlib Rostyslavovych

(surname, name, patronymic)

1. Topic of thesis: Strategy of the enterprise of entering international market
approved by the Rector order of 02/10/2019, № 2263/cm
2. Deadline of thesis: from 14/10/2019 to 29/12/2019, from 20/01/2020 to 09/02/2020
3. Initial data for thesis: Accounting reports of LLC “ECOZON”: balance (form №1), Report on financial results (form №2); statute of LLC “ECOZON”, scientific works, Internet resources.
4. The content of the explanatory note (list of issues to be developed):

Required: to study main aspects of foreign economic activity of enterprises, types of development strategies, enterprise’s environment in entering foreign markets, stages of international strategy development; to perform the analysis of financial and economic activity of LLC “ECOZON”; to conduct strategic analysis of LLC “ECOZON”; to suggest recommendations for the development of strategy on entering Poland market by LLC “ECOZON” and justify the ways of its implementation for LLC “ECOZON”

The list of mandatory graphic material:

Theoretical part: fig. – 2

Analytical and research part: tables –15, fig. – 17,

Project and advisory part: tables – 3, fig. – 6

SCHEDULE

№	Stages of Master Thesis performing	Deadline of stages	Comment
1.	Collection and analysis of necessary information about LLC “ECOZON” according to the topic of master thesis	14/10/2019- 19/10/2019	done
2.	Study and analysis of development strategies classification, enterprise’s environment in entering foreign markets and stages of international strategy development	20/10/2019- 02/11/2019	done
3.	Design of the references used in the analysis of market entry strategies’ implementation	till 16/11/2019	done
4.	Preparation and execution of analytical and research part of the thesis	till 05/12/2019	done
5.	Preparation and presentation of the theoretical part	till 14/12/2019	done
6.	Developing proposals for the development of strategy on entering Poland market by LLC “ECOZON” and economic justification of recommendations	till 29/12/2019	done
7.	Design of recommendatory section of the Master Thesis	till 08/01/2020	done
8.	The final design of the Master Thesis (contents, introduction, conclusions, appendices, etc.)	till 14/01/2020	done
9.	Report and presentation preparation	till 21/01/2020	done
10.	The signing of the necessary documents in the established order, preparing to defend the thesis and preliminary thesis defense on graduating department meeting	till 22/01/2020	done

Student _____(Dvoretzkyi H.R.)

Scientific adviser of Master Thesis _____(Lytyvnenko L.L.)

ABSTRACT

The results of the research described in the master thesis are justified proposals for the development of strategy on entering Poland market by LLC “ECOZON”.

The purpose of the study is forming of an entry strategy into the Polish market by LLC “ECOZON”.

The introduction determines the relevance of the chosen master thesis topic, object, subject, purpose and tasks of the research, specified scientific research methods.

The first part includes the study of main aspects of foreign economic activity of enterprises, types of development strategies, enterprise’s environment in entering foreign markets, stages of international strategy development.

The second part includes the analysis of financial and economic activity of LLC “ECOZON”, strategic analysis of LLC “ECOZON”.

The third part includes recommendations for development of the strategy on entering Poland market by LLC “ECOZON” and justifying the ways of its implementation.

The conclusions and suggestions summarize the results of research.

The research methods are general scientific methods, namely: inductive and deductive methods of analysis, synthesis and strategic analysis.

Key words: foreign market entry strategy, strategic analysis, foreign economic activity, joint venture, wood building.

АНОТАЦІЯ

Результати дослідження, описані в магістерській роботі, є обґрунтованими пропозиціями щодо розробки стратегії виходу ТОВ «ЕКОЗОН» на ринок Польщі.

Метою дослідження є формування стратегії виходу на польський ринок ТОВ «ЕКОЗОН».

У вступі визначено актуальність обраної теми магістерської дисертації, об'єкта, теми, мети та завдань дослідження, зазначено методи наукового дослідження.

Перший розділ включає дослідження основних аспектів зовнішньоекономічної діяльності підприємств, видів стратегій розвитку, зовнішнього середовища підприємства при виході на зарубіжні ринки, дослідження етапів розробки міжнародної стратегії.

Другий розділ включає аналіз фінансово-господарської діяльності ТОВ «ЕКОЗОН» та стратегічний аналіз ТОВ «ЕКОЗОН».

Третій розділ включає рекомендації щодо розробки стратегії виходу ТОВ «ЕКОЗОН» на ринок Польщі та обґрунтування шляхів її реалізації.

Висновки та пропозиції підсумовують результати досліджень.

Методи дослідження – це загальнонаукові методи, а саме: методи індукції та дедукції, синтезу, методи стратегічного аналізу.

Ключові слова: стратегія виходу на зарубіжний ринок, стратегічний аналіз, зовнішньоекономічна діяльність, спільне підприємство, деревообробка.

АННОТАЦИЯ

Результаты исследования, описанные в магистерской работе, являются обоснованными предложениями по разработке стратегии выхода ООО «ЭКОЗОН» на рынок Польши.

Целью исследования является формирование стратегии выхода на польский рынок ООО «ЭКОЗОН».

Во введении определены актуальность темы магистерской диссертации, объекта, темы, цели и задач исследования, отмечены методы научного исследования.

Первый раздел включает исследование основных аспектов внешнеэкономической деятельности предприятий, видов стратегий развития внешней среды предприятия при выходе на зарубежные рынки, исследования этапов разработки международной стратегии.

Второй раздел включает анализ финансово-хозяйственной деятельности ООО «ЭКОЗОН» и стратегический анализ ООО «ЭКОЗОН».

Третий раздел включает рекомендации по разработке стратегии выхода ООО «ЭКОЗОН» на рынок Польши и обоснование путей ее реализации.

Выводы и предложения заключают результаты исследований.

Методы исследования – это общенаучные методы, а именно: методы индукции и дедукции, синтеза, методы стратегического анализа.

Ключевые слова: стратегия выхода на зарубежный рынок, стратегический анализ, внешнеэкономическая деятельность, совместное предприятие, деревообработка.

LIST OF SYMBOLS

CEO – Chief Executive Officer

FEA – foreign economic activity

FDI – foreign direct investment

LLC – Limited responsibility company

SEZ – special economic zone

fig. – figure

mln. grn. – million hryvnas

ths. grn. – thousand hryvnas

EU – European Union

BCG – Boston Consulting Group

CONTENT

INTRODUCTION.....	10
PART 1. THEORETICAL BASIS OF FORMATION AND IMPLEMENTATION OF ENTERPRISE DEVELOPMENT STRATEGIES ON FOREIGN MARKETS..	14
1.1. Main aspects of foreign economic activity of enterprises	14
1.2. Studying the term “development strategy” and models of entering foreign markets	19
1.3. Studying of enterprise’s environment in entering foreign markets	24
1.4. Choosing and stages of development the international strategy.....	33
PART 2. ANALYSIS OF ECONOMIC ACTIVITY AND STRATEGIC ANALYSIS OF LLC “ECOZON”	38
2.1. General description and analysis of economic activity of LLC “ECOZON”...	38
2.2. Research of financial and economic activity of the enterprise	42
2.3. Strategic analysis of LLC “ECOZON”.....	60
PART 3. RECOMMENDATIONS FOR THE DEVELOPMENT OF STRATEGY ON POLAND MARKET ENTERING BY LLC “ECOZON”	70
3.1. Analysis of the environment of the wood processing market in Poland	70
3.2. Developing the strategy of entering the foreign market	76
3.3. Economic justification of creating joint venture.....	81
CONCLUSIONS	84
REFERENCES.....	87

INTRODUCTION

Ukraine is on the path of integration into the world economic space. A number of leading economists have acknowledged that without solving the problems of optimizing the entire system of international economic activity of the state, one cannot hope for successful reform of the economy as a whole, since such activity is a significant component of the economy and its powerful catalyst.

Foreign economic activity (FEA) means the activity of economic entities of Ukraine (more often enterprises) and foreign economic entities, which is based on their relations either on the territory of Ukraine or outside its territory. But this definition is very broad and ambiguous, since it is done through foreign economic relations, which have many directions. One of them is international trade. Accordingly, its elements are exports and imports, which in turn can be considered as foreign economic operations, on which the export-import activity of the enterprise is a part of the FEA. Therefore, it is an activity related to the purchase and sale of material goods, provided that such goods cross the borders of the national customs territories when the owner changes. But such a definition identifies the foreign economic activity of enterprises with the implementation of export-import operations, which may have different manifestations and trends, and does not indicate the purpose of such activity.

FEA is a system of international economic relations that arise between economic entities of the countries of the world as a result of production, exchange and consumption of goods, services and ideas in the conditions of boundless needs, scarcity of resources and on the basis of international production specialization, as a result of going beyond national economies.

Modern orientation of foreign economic activity involves conducting market research of a strategic nature, which must prepare the necessary information for strategic planning at the enterprise level and making strategic decisions. In general, the process of developing an enterprise export strategy involves several steps:

- development of the basic concept of foreign economic activity, which involves situational analysis, study of the macro and micro environment of the enterprise functioning, setting goals and formulating and optimizing strategic choices, specifying tactical tasks, periodic revision and review of previous programs;
- the use of various analytical approaches to the development of methods of expansion and livelihood of the enterprise in the foreign market;
- formation and optimization of the peculiarities of functioning of the enterprise in the international environment, which implies a certain level of adaptation of foreign economic programs to foreign conditions and requirements.

The main strategic goal of an enterprise in a market economy is to win and expand the export market and maximize profits. The exporting company should embrace the idea of creating and maintaining a competitive advantage over the world's leading competitors, and the enterprise should strive for long-term success, not simply the survival or temporary rewards of self-examination of the fruits of its market position.

In modern conditions, domestic enterprises are keenly lacking in establishing their own effective system of foreign economic activity management, which would be adequate to modern requirements and conditions, take into account the dynamics of the international and domestic markets, be based on the principles of adaptability and ensure the sufficiency of flexibility.

The researches of leading domestic and foreign authors, such as I. Ansoff, F. Kotler, V.E. Novitsky, O.A. Kyrychenko, E.B. Panteleeva, V.A. Vinokurov, G.D. Gordeev, L.E. Strovsky, G.M. Drozdova, O.V. Baula, A.V. Sachuk, S.M. Didyk, E.O. Kovtun, Ye. S. Denysevych, D. Ye. Zaitseva, L.H. Lipysh, A.O. Fatenok-Tkachuk, O.Ye. Ohrodnishchuk S.O. Solntsev, I.V. Ponomareva, M.E. Agwu, H.N. Onwuegbuzie, W. Barnett, E. Guzek, N. Jeewa, G. Joly, E. Michalski, K. Shaw, A. Verbeke are devoted to the implementation development strategies by enterprises, namely international strategies. Despite the considerable amount of works, the issues of developing an effective strategy for entering foreign markets and integrating domestic enterprises into the modern world economy are still underdeveloped and

therefore require further study at all organizational units. First of all, it is necessary at the level of enterprises that are direct participants in foreign trade relations. Practical experience shows that most of the problematic issues in the implementation of FEA enterprises are managerial ones.

The object of the research is strategic planning of foreign economic activity of the enterprise.

The subject of the study is the process of developing and implementing FEA strategy of the enterprise entering the wood processing foreign market.

The purpose of this study is to develop recommendations for implementing the strategy of entering LLC "ECOZON" into the Polish market.

To achieve the goal, the following tasks must be solved:

- to explore the theoretical aspects in the process of planning, organization and implementation of the foreign economic activity strategy;

- to characterize production and economic activity of LLC "ECOZON";

- to carry out an analysis of the company environment using strategic analysis to identify the perspective of LLC "ECOZON" in the industry;

- to study the market conditions for the prospective market using PEST analysis, to identify trends in the development of the Poland market;

- to identify the optimal form of entry of LLC "ECOZON" to the foreign market;

- to develop recommendations for implementing the strategy of launching joint venture by LLC "ECOZON" on the Polish market;

- to determine the effectiveness of the proposed measures for LLC "ECOZON".

In the course of the work, systematic approach methods were used to characterize the business activity of the enterprise, statistical analysis to study the market conditions of the Polish market, classification and combined analysis when developing a strategy for entering the foreign market.

The information base of the master thesis is educational-methodical literature of domestic and foreign scientists in the field of international economic relations and

strategic management, statistical data and financial reporting of LLC “ECOZON”, as well as regulations in the field of foreign economic activity, Internet resources and results of own observations.

The practical significance and novelty of the obtained results lies in the development of proposals on enterprise’s entry into the wood processing foreign market through the establishment of joint venture, providing the introduction of international principles into the business, opening new prospects for development, allowing the introduction of a new income source, dividing supply, production, sales and marketing functions between partners.

PART 1. THEORETICAL BASIS OF FORMATION AND IMPLEMENTATION OF ENTERPRISE DEVELOPMENT STRATEGIES ON FOREIGN MARKETS

1.1. Main aspects of foreign economic activity of enterprises

The concept of “foreign economic activity management” is relatively new. In order to find out its essence and features, it is necessary to first find out the meaning of the concept of "foreign economic activity".

In general, management means the influence of the controlling system (the entity) on the system that is managed (the management object) in order to achieve the intended results [38].

The content of management is determined, firstly, by its scope, that is, the object of management in question. Such sphere can be production, transport, trade, finance, investments, and foreign economic activity. Hence, the specification of management types are as following: production management, finance management, trade management, investment management, FEA management, etc.

Secondly, the level of management, that is, the level at which the management of this object, this area. This level can be the state level, regional, sectoral, the level of production enterprise, etc. If the sphere of management defines a specific type of management, then the level of management contributes its specificity in this type of management [51].

To find out what constitutes the management of foreign economic activity, what is its essence and features, what place it occupies in the economy of the enterprise, primarily, it is necessary to find out the essence and content of the sphere of its management, i.e. foreign economic activity.

According to some experts, the concept of "foreign economic activity" (FEA) appeared in Ukraine with the beginning of economic reform, in 1987. One of the central areas of this economic reform was the decentralization of foreign trade, giving

enterprises the right to enter the foreign market directly and stimulate development. FEA at the level of economic entities [58].

As a result of economic reforms in the foreign sphere, two concepts have been formed: "foreign economic relations" and "foreign economic activity" (FEA). Unlike SEZs, which represent different forms, means and methods of foreign economic relations between countries, FEA covers foreign economic activity at the level of production structures (firms, organizations, enterprises, associations, etc.). FEA can be defined as a set of production-economic, organizational-economic and operational-commercial functions of an enterprise related to its entry into the foreign market and participation in foreign economic transactions. FEA is considered as one aspect of the FEA [51]. However, it is an independent activity of the enterprise, which is, on the one hand, an integral part of the economic activity of the enterprise, and on the other, such part of its activity, which is carried out at another, international level, in connection with economic entities of other countries [6].

The main motives for the development of FEA at the enterprise level may be:

- 1) Expanding the market for their products beyond the national borders in order to maximize profits.
- 2) Purchase of necessary raw materials, components, new technologies and equipment.
- 3) Attraction of engineering and other services for production needs, taking into account their uniqueness, higher quality and lower prices in comparison with the domestic market.
- 4) Attracting foreign investment in order to modernize production, strengthen export potential and compete in global commodity markets.
- 5) Participation in the international division of labor, specialization and cooperation of production in order to successfully develop its economy [39].

It should be emphasized that the role of the FEA as an external factor of economic growth is constantly increasing in the current conditions. Its influence on the socio-economic development of not only the country but also every economic entity is increasing.

FEA is a multifaceted concept. It includes the following activities: foreign trade, international industrial cooperation, international scientific and technical cooperation, international investment cooperation, foreign exchange financial and credit operations. Each type of FEA is implemented in specific forms. For example, forms of foreign trade are export, import, re-export, re-import. Forms of industrial cooperation – joint production based on specialization, joint ventures of two or more foreign partners, contractual cooperation, etc. [67].

The foreign economic complex of the country (region) is the material basis of the FEA. It is a collection of industries, sub-sectors, associations, enterprises and organizations that produce products for export or use imported products and carry out other types and forms of FEA.

An important task in the development of the country's foreign economic complex is the integration of production and foreign economic activities into a single organic, successfully functioning system. The conditions for successful development of the foreign economic complex today are:

- strengthening and increasing export potential;
- active participation in various forms of international joint venture;
- increase of competitiveness of enterprises and production and economic complex;
- expansion of independent activity of enterprises, firms of regions of the country in carrying out foreign economic activity [51].

Having clarified the essence and content of the concept of "foreign economic activity", one can define the concept of "management of foreign economic activity". In its most general form, it is the management of production, economic and commercial activity of the enterprise; associated with its entry into the external market, into the external international environment in order to make fuller use of external (international) factors of economic growth [58].

The management system here is the foreign trade apparatus of enterprise management, and the role of the system managed (the object of management) are the production, functional and other subdivisions of the enterprise, which participate

directly or through an intermediary in foreign trade operations, taking into account the chosen foreign economic strategies [26].

The purpose of enterprise management is the ultimate desired result, achieved not only by internal but also by external (international) factors of economic growth.

Since FEA, as an object of this type of management, is an integral part of the economic activity of the enterprise, so management of FEA is considered as an integral part of the overall management of the enterprise. This approach to defining the concept of FEA management is of great practical importance. It gives an opportunity to look more deeply at its content, to find out common features and distinctive features in comparison with internal management [39].

And so, being an integral part of corporate governance, FEA management has common features with it. First of all, it relates to the overall strategy of the company. The overall market strategy of the enterprise is the main guideline in the organization of management of foreign economic activity. Common principles for internal and external management are also the principles and functions of management, decision-making technology, basic management methods, etc.

At the same time, FEA management has its specific features, which is caused by the features of the management object, partly because:

- the managed economic activity of the enterprise is carried out in another (external) sphere and at another (international) level;
- covers a wider territorial area, different in the presence of natural resources, climatic, temporal and other factors;
- a greater number of economic entities operating in different political, economic, legal and cultural contexts and those having their own understanding of values take part in world economic relations;
- not only enterprises and industrial complexes, but also the states with their foreign economic policy, their strategy in the sphere of foreign economic activity, their totality of instruments of influence on this sphere act as subjects of FEA;
- international instruments and means of influencing foreign trade and other relations of economic entities are widely used in the international sphere. All this

reveals the fact that FEA management is a relatively independent part of the overall (internal) management of the enterprise. It has its specific purpose, tasks and functions, its laws, rules and norms, which must be known and taken into account in the practical activity of managing the FEA [58].

The essence of foreign economic activity management is a comprehensive study and modeling of the international environment in combination with the well-established interaction of all units and officials of the organization / institution in the interests of productive achievement of certain foreign economic strategies [51].

So, firstly, FEA management is a defined process that, above all, involves the study and design of elements of the international environment: foreign partners, price levels, customs rules, international norms and customs, etc. In this part, emphasis is placed not only on the analysis and evaluation of future international operations, but also on the design of relationships, taking into account certain procedures. This element of management is almost half of the success factors in international business.

Secondly, it is necessary to achieve effective interaction not only between employees of foreign economic divisions, but also between all services of the enterprise, which determines success in international markets.

Therefore, the management of FEA, of course, includes the efforts of other employees in promoting the company's products to foreign markets. For example, the head of the technical control department, organizing a system of verification of export goods for compliance with the conditions of a foreign trade contract, is an important link of the control function in the management of foreign trade activities. If successful in the international market, the above-mentioned supervisor should receive remuneration to the same extent as the FEA staff.

Third, it is necessary to emphasize the productive achievement of the chosen foreign economic goals by the whole organization [39; 51]. This means that the criterion of quality management of FEA is not only success in itself (achievement of goals), but also the price of that success (cost of resources, productivity).

1.2. Studying the term “development strategy” and models of entering foreign markets

The concept of strategy is basic in the theory of strategic management, because it is a unifying mechanism of the goals of the potential and the environment.

Based on business goals, the strategy identifies the means by which an enterprise can transform its strategic intentions into market advantages by interacting with external factors. The strategy helps the enterprise to choose the rational way of development and to create the most important advantages in its functioning:

- prepares it for changes in the environment;
- associates its resources with changes in the environment;
- clarifies problems that arise;
- coordinates the work of different structural units;
- improves control at the enterprise [9].

To ensure the effective functioning of enterprises there is a need for scientific substantiation of strategies for their development.

There are different perspectives on the content and varieties of organizational strategies in strategic management literature. The concepts of strategy have been used in management science and practice since the 1950s. The concept of strategy was first developed in the 1960s by A. Chandler, K. Andrews, I. Ansoff, they gave the first definitions of the basic principles of strategic planning. The content of the concept of strategy changed under the influence of economic development of society [9; 54]. Subsequently, the strategy was considered not only the right management of resources, but also the correct definition of activities in the market, it was increasingly interpreted as a plan to win over competitors through a variety of actions.

Today, there are many definitions of strategy that interpret this concept depending on the object and subject of its research in relation to a particular formal situation, and this is evidence of considerable attention to this concept.

It is difficult to formulate a modern strategy definition in one sentence. Many scholars have offered their own vision for the content of the strategy, but their definitions have different meanings.

Consideration of existing strategy concepts allows us to identify several approaches to defining the essence of the strategy.

The classic approach to defining a strategy is to identify it with a means of achieving the goals of the enterprise. This approach is based on the fact that the formulation of the strategic goals of the enterprise is inherently associated with the development of ways to achieve them, and therefore in this sense, the strategy is defined as a plan or model of action [48].

The second approach is to understand strategy as a set of decision rules. He is associated with further research in this field by such scientists as: G. Mintzberg, I. Ansoff. While conducting research into the strategic behavior of large corporations in competitive markets, G. Mintzberg found that strategy is not just a plan but a complex of decisions and actions; and is not the sequence of execution of the planned, but the exact opposite, it is the starting point. I. Ansoff, using the concept of strategic management, noted that strategy is one of several sets of rules for deciding the behavior of an organization, and identified four groups of rules: rules for establishing relations with the external environment; rules for establishing relationships and processes within the enterprise; rules of daily affairs; means of measuring the results of the present and future activities of the company [8]. He describes the strategy as a set of decision-making rules to ensure the firm's sustainable growth and development; distinguishing two groups of rules: the rules of the relationship of the enterprise with the external environment (business strategy) and the rules of equilibrium between their own internal variables (organizational concept) [9].

There is also an integrated approach according to which the strategy is a program of functioning of the enterprise in the external environment, interaction with competitors, customer satisfaction, realization of interests of shareholders, strengthening of competitive positions of the enterprise.

The strategy is viewed as the direction and scale of action in the long term, ideally aligning the company's resources to a changing operating environment (markets, consumers and customers) in such a way that the company meets the expectations of the owners of participating interests [23].

The approaches considered show that there is some ambiguity and uncertainty. This is due to the fact that:

- For the most part, the actual development process is inconsistent with the strategy implementation process.
- The strategy is considered only from the standpoint of competition, and not the natural changes that must occur in the activity of the enterprise due to changes in the environment;
- Each individual enterprise must form its own strategy, which in terms of content and nature of implementation may have significant features and differences [9].

The lack of a commonly accepted and agreed definition of the term indicates a diversity of views on the role and importance of strategy for the enterprise. This is characteristic of each country, which is subject to special conditions, for individual regions, for individual enterprises. Therefore, there is no point in finding or reducing the multifaceted nature of a strategy to a single term. It must have a specific purpose, essence and content that depend on the capabilities and conditions of activity of each particular organization [16].

Therefore, the enterprise strategy consists of planned actions (directed strategy) and necessary corrections in case of unforeseen circumstances (unplanned strategic decisions). An enterprise must have a well-founded strategy for action, but it must also be prepared to adapt to unaccounted circumstances that may arise in the future. Trends in the current development of the economic situation in Ukraine are characterized by high dynamism, intensification of structural shifts in favor of the services sector, and aggravation of competition [28]. Processes in the external environment are becoming more complex, complementary and interdependent. This is necessitated by the scientific search for new mechanisms and methods of strategic

management, the core of which is an enterprise development strategy, which should respond to transformations in the national economy, to harmonize the influence and interrelations between factors of the internal and external environment.

Under these conditions, it is advisable to generalize the positions on the formation of enterprise strategy in the paradigms of strategic management: strategic rationality (the process of strategy formation is prescriptive – indicative, normative character) and strategic behavior (the process is characterized by descriptive – descriptive direction).

There are four main business models to expand business abroad (exporting, licensing, joint ventures, foreign direct investment) and one brand new model that people are still trying to understand (hybrid strategy) [68]. Each of these business models has pros and cons. Therefore, there isn't a right or wrong way to expand business abroad. However, one has to pick the right entry strategy that will work for your business. The strategy chosen by an organization will depend on its level of experience in international business and its appetite for risk. One market entry strategy may evolve into another, or companies can try to blend these market entry strategies together (Fig. 1.1).



Fig. 1.1. International market entry modes [79]

Exporting is when goods produced in one country are shipped to another country for future sale or trade. The sale of such goods adds to the producing nation's gross output.

Pros: minimal costs and requires the least amount of global experience.

Cons: less control over the product's distribution and lower margins compared to other entry models [72].

Licensing is when a firm, called the licensor, leases the right to use its intellectual property – technology, patents, work processes, copyrights, brand names, or trademarks – to another firm, called the licensee, in return for a fee. This is a contractual arrangement where a company transfers the right to manufacture a product or distribute a service in a foreign country [75]. For example, “Nintendo” manufactures electronic video game consoles and game discs. It licenses dozens of firms worldwide to design, and, in some cases, to manufacture game discs to be used in its consoles. As part of its licensing arrangements, Nintendo provides game designers with technical specifications for how its game consoles work. The design firms create the games and then pay Nintendo a fee to manufacture the game discs. Through this symbiotic licensing strategy, Nintendo not only generates new revenues; it also nurtures the creation of new video games, which in turn stimulates demand for its Nintendo game consoles.

Pros: there is lower risk, because you enter a new market with an established product so you take fewer financial and legal risks.

Cons: poor management could damage your brand’s reputation in foreign markets.

Joint ventures are strategic business arrangements where two or more parties agree to pool their resources for the purpose of accomplishing a specific task. This task can be a new project or any other business activity. In a joint venture, each of the participants is responsible for profits, losses and costs associated with the new enterprise. However, the venture is its own entity, separate and apart from the participants' other business interests. For example, the Shanghai Disney Resort opened in the Pudong area of Shanghai as a public-private venture. The Walt Disney

Company owns 43% of the resort and the Shendi Group, a joint venture of three companies controlled by the local Shanghai government, owns the remaining 57% [70; 74].

Pros: ease of market entry, shared risk, shared expertise, and competitive advantage.

Cons: incompatibility of the partners, access to information, conflicts over distributing earnings, loss of autonomy, and changing circumstances that affect the viability of the joint venture.

In the foreign direct investment (FDI) model, business provides all the investment, provides the capital to hire the people, and builds the local presence. As a result, own 100% of the success or 100% of the failure. According to statistics gathered by the Select USA Office at the U.S. Department of Commerce, the FDI in the United States is responsible for about \$6 million American jobs, \$57 billion in research and development, and \$425 billion in exports originating from the United States [68].

Pros: investor has the most control compared to the other models and retains most of profits.

Cons: this is the most expensive market entry model because you have to provide all of the investment.

Thus, there are different modes of entering foreign markets depending on market environment conditions and business excellence of the enterprise.

1.3. Studying of enterprise's environment in entering foreign markets

Market research is the systematic collection, recording, analysis and interpretation of data on the sale of goods or services, as well as the organization of marketing. Some managers believe that the methods and techniques of conducting international marketing research are the same as internal market research, and the differences are only in the external environment. However, it is the external

environment that determines which methods, techniques and types of research to apply in a foreign market. Although the goals of marketing research may be similar, conducting research for the external market is significantly different from what is being done for the internal market. There are four main reasons that cause these differences:

- new environmental conditions;
- wider field of study;
- increasing the number of factors involved;
- high level of competition [34].

When going beyond its state, the company is dealing with new environmental conditions. For example, other types of taxes, currencies, prices, modes of transportation, and more. It is necessary to look for detailed information about each new environment condition in order for the management of the company to take appropriate action in the market. In addition, the company can choose different forms of presence in foreign markets, which causes an increase in new environmental factors.

Obstacles may arise for the most unexpected reasons associated with any component of the environment. Therefore, it is important for the enterprise to study all the factors, and therefore requires active collection and analysis of environmental information. It is necessary to study the economic environment, the level of technical and technological development, the political system, the legal foundations, the culture of another country. Entering the international market often means entering more than one market [20]. As a result, the number of environmental variables increases exponentially. In addition, the interaction between them should be taken into account and understood.

In the external market, the company will face more competitors than in the domestic market, not only in terms of competitors' goods (services), but also in enterprises (local, foreign). The company needs to understand the severity of competition in this market, its competitive strategy (Fig. 1.2).

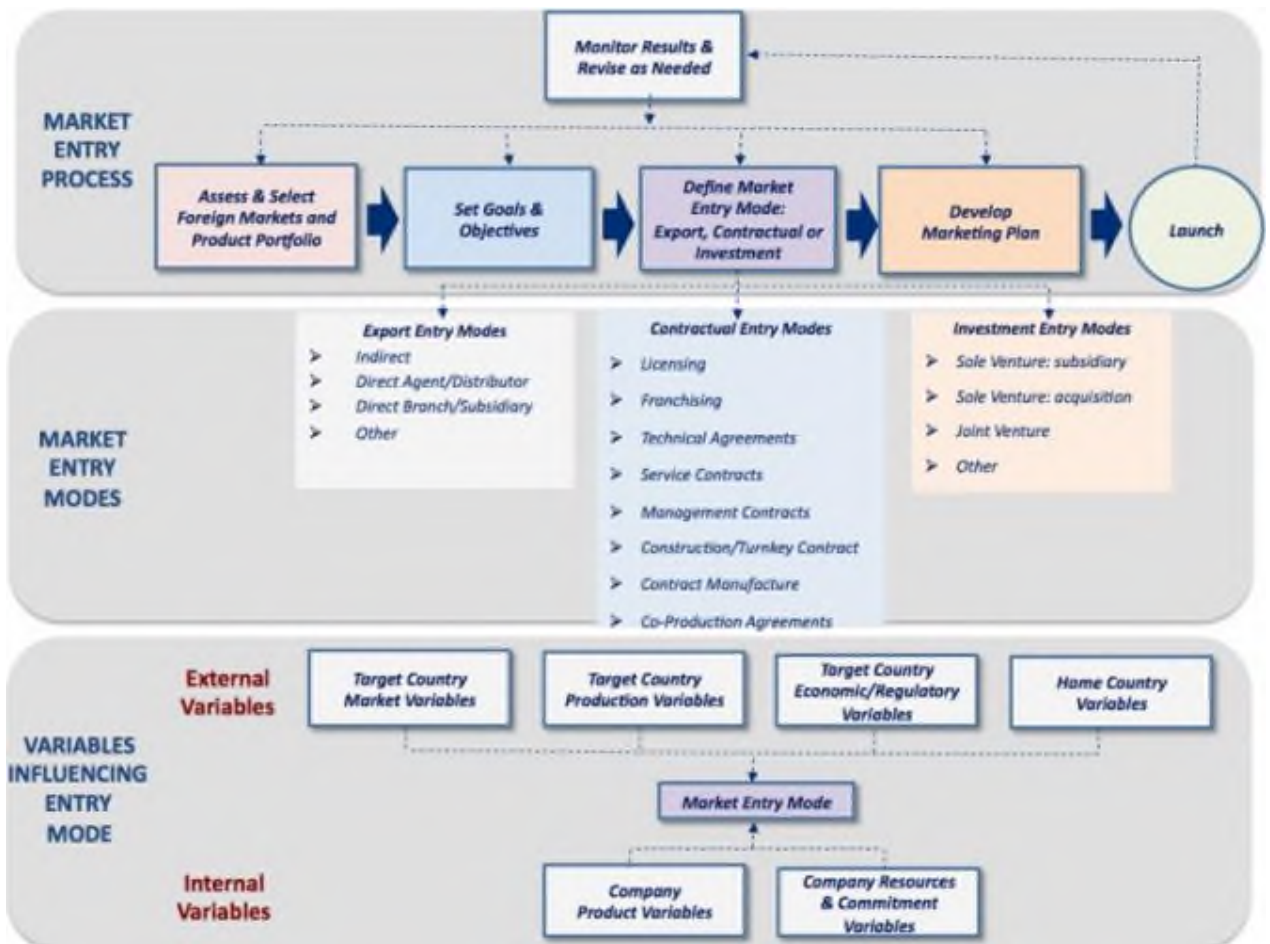


Fig. 1.2. Factors and variables influencing foreign market entry mode [68]

Marketing research cannot be conducted without defining its goals because they determine the choice of information, performers, methods and technologies. Preparation of the market research project includes:

1. Definition of a market problem.
2. Addressing the question of whether market research can help solve this problem.
3. Defining the tasks and scope of the study.
4. Preparation of requirements for the necessary information.
5. Gathering information.
6. Analysis and interpretation of information.
7. Summary report and recommendations.
8. Making marketing decisions [10].

The research itself consists of two parts: market research and research of the enterprise's own potential. The first part includes:

- Study and analysis of market conditions: study of general conditions; demand analysis; proposal analysis; analysis of consumer requirements for the product; analysis of market development prospects.
- Study of the subjects, forms and methods of trade: analysis and evaluation of the activities of suppliers; study and evaluation of competing firms; study of buyers; study of commercial practice; study of transport conditions; study of trade and political conditions.

The second part – studying the potential of your own business involves:

1. Analysis of the results of economic activity.
2. Analysis of product competitiveness.
3. Analysis of enterprise competitiveness.
4. Assessment of prospects for the development of the enterprise [49].

The study of international markets is conducted according to the following parameters:

- products (industries, types of products, manufacturing companies, methods and forms of sales and service of products);
- consumers (industries, types of products, manufacturing companies and customers, goals and methods of consumption);
- location of the market (region, country, territory).

The combination of these characteristics is a product-market combination. Formation, evaluation and selection of product-market combinations (segments) is the task of segmentation or market-segment policy of the enterprise [34].

In the first stage of studying the market in international marketing, the enterprise should cover as wide a segment as possible, ie the world market for some products. In the future, this information should be detailed and specified, and each product-market combination should be described by an increasing number of parameters.

International market research methods are similar to those used in the internal market: office (laboratory), field research, or a combination thereof.

Cabinet research (sometimes called secondary or bibliographic research) involves the collection and study of available data (usually published).

Field research (called primary or original) involves obtaining information from informants through interviews, questionnaires, and the like. This method of gathering information is much more expensive than simply analyzing published material.

Cabinet research in international marketing should be comprehensive and include:

- study of all information available to the company;
- analysis of competitors' catalogs containing not only product description but also market information;
- familiarization with special libraries;
- obtaining consultations at state institutions and embassies;
- establishing contacts with specialized international organizations;
- obtaining information from relevant information banks, research organizations, etc. [52].

Research of international markets can be carried out by the company on its own, or by a specialized marketing company. It makes sense to do research on your own when:

- the research covers products for industrial use and requires a limited number of interviews;
- the company has sufficient experience in this market or considers it expedient to acquire such experience;
- communication difficulties may arise between the enterprise and the marketing company when it comes to, for example, high-tech goods;
- the company has its own qualified apparatus of researchers who have a thorough knowledge of the language and have experience working abroad;
- there is no relevant marketing company in the foreign country [49].

To use the services of a marketing company makes sense when:

- the survey covers a large number of consumers;
- the research has a specific character, such as the study of consumer motives;
- the company has no experience in local market research;
- there are difficulties in the exchange of information, the problem of the language barrier, ignorance of culture, traditions;
- the enterprise has a scarcity of resources to study the market;
- the need for an independent and objective assessment of the market [37].

Today, there are several types of companies and agencies that provide marketing research services:

1. International agencies that provide a full range of research services in the markets of different countries.
2. International companies engaged in the study of one market in different countries.
3. Local companies that provide a full range of research services in the market or in a specific segment.
4. Local companies engaged in a specific type of market research (quantitative or qualitative).
5. Analytical and consulting companies that conduct research based on aggregated information from various sources, including studies from other companies [49].

According to the type of information used and the methods of obtaining it, the research is primary and secondary. The primary data can be obtained in the following ways:

1. Observations (surveys): audit operations, device-registrars, store counters, frequency of purchases; direct observation.
2. Experiments (testing): control experiment, trial marketing.
3. Interview (interview): personal interview, telephone interview, mail survey [10].

The technology for doing these studies is explored in detail in the Marketing course.

Secondary data is data collected and studied by another market entity. The study of secondary data precedes the study of primary information. The use of secondary data in the process of research is called desk research. External market research on the basis of secondary data is cheaper, and it can often provide all the necessary information to the researcher or become an important and useful basis for it. Therefore, small and medium-sized enterprises are more likely to conduct secondary marketing research.

For the purposes of marketing research is divided into general and preliminary, studies of the peculiarities of the functioning of the foreign market and special studies that precede the establishment of a branch.

General and preliminary studies are conducted to determine the commercial interest that constitutes a market in a particular country or geographical area. The information obtained during the study is used to develop an international enterprise strategy. Key research questions are questions related to determining the market's potential, its profitability, accessibility, risks and conditions of foreign economic activity [34].

Macroeconomic data on population size, purchasing power, industrial activities, etc., as well as general information on the state of local and foreign competition, demand and prices for goods (services) are collected and analyzed in the course of the research. This information allows you to determine the total capacity of the market, make an estimate of the possible volume of sales and estimate the volume of potential turnover.

Studies of the features of the functioning of the foreign market aim to study its dynamics and include the conduct of four types of analysis.

Analysis of the market environment involves the identification of the most pressing issues to determine the priorities for information gathering. Political-legal, scientific-technical, economic and socio-cultural environment are analyzed.

Demand analysis is especially important for external market research. Buying the same product in different countries differs and depends on many different factors. Dominant religion, social organization, customs, and more determine the different

behavior of buyers and the decision-making process of buying [49]. Knowledge of this "silent language" of buyers is the main purpose of the expert in the study of demand for goods.

Competition analysis is always difficult to conduct in a foreign market because there is no accurate information. Analyzing the competitive position, the exporter should find out whether there are a priori advantages in local competitors, generated by the spirit of nationalism in buyers, or whether it is better positioned due to snobbery (imitation) of potential buyers.

It is important to determine the impact of the "Made in ..." brand on the decision to buy a product, as well as whether it has a real basis or implied.

The analysis of intermediaries involves the study of information about distributors, controlling organizations (architectural, medical, etc.), retailers, wholesalers. Such information is important not only for clarifying the issues of sales of products, but also for solving problems with advertising, financing of sales, preservation of inventories. This approach to the study of the foreign market will provide information about its status and structure, dynamics and opportunities of the exporter and his goods in this market.

Studies prior to the establishment of a branch are conducted when the enterprise plans long-term foreign economic activity. In addition to general research and market research, information is collected from the following areas:

- legislation, taxation and social law;
- relations with local authorities;
- possible restrictions;
- labor market and specificity of personnel management;
- work with local financial institutions and more [31; 53].

Thus, the establishment of a foreign branch involves studying a number of issues related to the organization and management of production in other conditions.

International marketing research is concerned with the decision-making process required to solve the problem facing the enterprise. But in order to determine the nature of the problem, information is needed. Yes, secondary information can be

used as a basis for identifying and identifying a problem, for developing a hypothesis of possible solutions to a problem, or for further verification based on primary information, as a methodological basis (if similar studies have been conducted before) in the preparation of sample analysis, as reference material.

The first step in the study of secondary data is understanding the need for this information. Since the purpose of conducting external market research is the proper allocation of resources, the need for complete and reliable information is very great. But doing market research requires money and time, which is usually limited. In order for management to allocate funds for research, it must realize their usefulness. The value of research can be determined from two positions. One approach is to analyze the benefits that an undertaking conducting such research will receive. Another approach is to identify the hidden risks that await an enterprise that does not conduct these studies.

It should be noted that international market research should be seen as a tool, not a substitute for decision making. It is difficult to obtain sufficiently correct information within the timeframe to determine the correct actions. However, research helps to avoid global mistakes. The next step is to clarify the goals of the study. Although they may seem simple, there may be situations where different groups within the enterprise are promoting different market research goals [10]. The goal is to have all these goals specified and integrated into a single overall research plan. Next, you need to determine what information is needed, evaluate the quality of the data obtained, and find out how appropriate they are for research. The quality of information depends largely on the sources that provide it. The sources of secondary information are internal and external. Internal materials and documents of the company are included.

The most commonly used trade statistics data is in the following categories: buyers, regions, product, order size, turnover, etc.

There are plenty of external sources. they can be divided into the following groups:

- 1) governmental (census materials, trade and industrial enterprises, statistical reports, foreign trade balance);
- 2) special information organizations and publications (foreign trade centers, advisers, chambers of commerce, scientific and technical journals, newspapers);
- 3) organizations providing export-related services (banks, insurance companies, advertising agencies).

Information obtained from the analysis of secondary data should be properly verified. In this connection it is useful to consider the following aspects:

1. The objectives of the study.
2. The nature of the institution that provided the information.
3. Methods for collecting the information used and its completeness.
4. The terms used, their interpretation and conformity with conventional wisdom.
5. Relevance of information [10].

Choosing sources of information should take into account the effect of Pareto law, which states that 80% of the required information is usually contained in 20% of sources. Therefore, from a large number of sources should be selected the most authoritative, tried and tested, that is, the most valuable.

After evaluating the sources of information, the data is collected, processed and analyzed in accordance with accepted research methodology. The results are then communicated to the management of the company to make the appropriate decision on actions in the foreign market. At this time, international companies are developing and refining information systems structures for international marketing, because the problem is not in the amount of information, coordinate and make it easy to use.

1.4. Choosing and stages of development the international strategy

The choice of strategy is made in several stages. First of all, the competitive advantages of the company are revealed. In order to evaluate the possibilities of

successful market entry, the data of the external and internal environment analysis are compared and on the basis of this comparison the characteristics of this company with the characteristics of competitors, as well as with the expectations of consumers and partners. The firm identifies strengths and weaknesses which helps it highlight the areas in which it can succeed; assesses the opportunities and threats of potential markets, helping to identify the factors that are necessary to succeed in the market. Comparison of potentially successful areas and factors important for success gives the firm an idea of its own competitive advantages and makes it possible to develop strategies [52].

Development of the organization's behavior strategy in the foreign market is carried out at three different levels: global, strategic and tactical.

The global level covers the long-term aspects of the activity based on the definition of the most important goals, the totality of which is considered as a whole. The planning is carried out at the level of the management of the company, taking into account possible long – and medium-term development options.

At the tactical (current) level of planning, foreign economic activity concentrates on the identification of specific goals, the achievement of which is a condition for the effective use of available resources to achieve global goals in existing markets [48].

In the first stage of development of the strategy of behavior of the organization on the foreign market the objects of comprehensive analysis are:

- state of the market of goods and services supplied by the enterprise under the current structure of production and marketing;
- evaluation of the activity of the enterprise from the standpoint of the consumer, goods and services;
- evaluation of the organization's activities from a market position [35].

At the stage of analysis of the expected changes in the market conditions (the second stage), the trends of market development and their impact on the future position of the enterprise are determined. In this case, the impact of changes in

market conditions on the potential volumes and conditions of sale of goods and services is projected in accordance with the expected supply and demand.

In the third stage of development of foreign economic strategy in assessing the organization's capabilities, the object of analysis is: expected dynamics of foreign economic activity; expediency of reorientation to new markets; the conditions of activity in the new environment and the expediency of reducing it in traditional areas and market segments.

The analysis of these factors should take into account financial, labor, production resources and environmental impact.

The object of the fiscal policy analysis (the fourth stage) is to consider the influence of the relevant factors on the conditions of functioning of the organization in the course of changes in fiscal policy within the country and abroad. This study is somewhat duplicative of the previous one by re-examining individual factors. At this stage, it is also necessary to evaluate the prospects for adapting the technologies used. Another option is the simplification of technological processes due to low environmental requirements [54]. The corruption of local officials should be assessed separately. The impact of corruption on decision-making depends on the legal culture of society and the freedom of the media.

In the fifth stage of development of foreign economic strategy tendencies of development of world economy and foreign economic relations are analyzed and the expected influence on conditions of functioning of the organization is given. This takes into account the forecast changes in foreign trade policy of different countries, in their general economic conditions, takes into account the trends of world market development, etc. The results of a comprehensive analysis of foreign economic relations, forecasts and prospects for all five stages serve as a starting point for formulating a long-term strategy for the organization's behavior in the foreign market.

Development of the strategy of foreign economic activity in the sixth stage provides:

- formation of a global long-term goal (mission) of foreign economic activity;

- development of alternative options for achieving the goal of foreign economic activity;
- division (decomposition) of the global purpose of foreign economic activity into a number of interdependent sub-goals;
- comparing options for achieving the goal of foreign economic activity, choosing strategic alternatives, assessing the opportunities and consequences of their implementation and formulating a strategy of enterprise behavior in the foreign market [48].

It should be noted that the choice of mission and purpose should be based on the analysis of the external environment of the firm and its own potential. If a company is to export certain products, it must take into account the country's existing standards, traditions of consumption and solvent demand. State regulation and political stability have an important influence on the international activity of the enterprise. Therefore, the data that are necessary for making strategic decisions can be attributed: the characteristics of the industry, information about competitors, the assessment of external factors of activity, forecasts about the development of the environment, the analysis of the strengths and weaknesses of the enterprise [28].

Thus, the firm's international strategy is to fully integrate the alternatives identified by the relevant international purpose for all of the following aspects. When choosing strategic alternatives, you should not limit yourself to determining the best one for each position, but rank them in order of decreasing benefits.

An international manager should formulate a firm's strategy based on industry characteristics and conditions of competition, its market position and opportunities, prospects of value creation on an international scale [20].

Thus, foreign economic activity will be most successful only if the entry of enterprises into international markets is not only well thought out, comprehensively justified, but also based on long-term goals. Thus, foreign economic activity is closely linked to the strategic planning and management of the enterprise.

The essence of planning can be defined as the ability to predict the purpose of the enterprise, the results of its activities and the resources required to achieve this

goal. In the area of FEA planning also means the ability to define the purpose of FEA as part of the overall internal planning system. The main purpose of the FEA should not be at variance with the overall purpose of the enterprise, it should be aimed at their successful implementation at the expense of external factors of economic growth [70].

Therefore, despite the considerable amount of work in the field of strategic planning, the issues of developing an effective strategy for entering foreign markets and integrating domestic enterprises into the modern world economy are still underdeveloped and therefore require further study at all organizational units. First of all, this is necessary at the level of enterprises that are direct participants in foreign trade relations. Practical experience shows that most of the problematic issues in the implementation of FEA enterprises are managerial ones.

PART 2. ANALYSIS OF ECONOMIC ACTIVITY AND STRATEGIC ANALYSIS OF LLC “ECOZON”

2.1. General description and analysis of economic activity of LLC “ECOZON”

LLC “ECOZON” is a construction company with experience in the wood processing and manufacturing accessory to a floor and cutting linoleum, created in 2008. LLC “ECOZON” provides development, installation and servicing of wood building structures and joinery.

The effectiveness of any enterprise depends on the rational construction of the organizational structure. Let us outline schematically the organizational structure of the enterprise (Fig. 2.1).

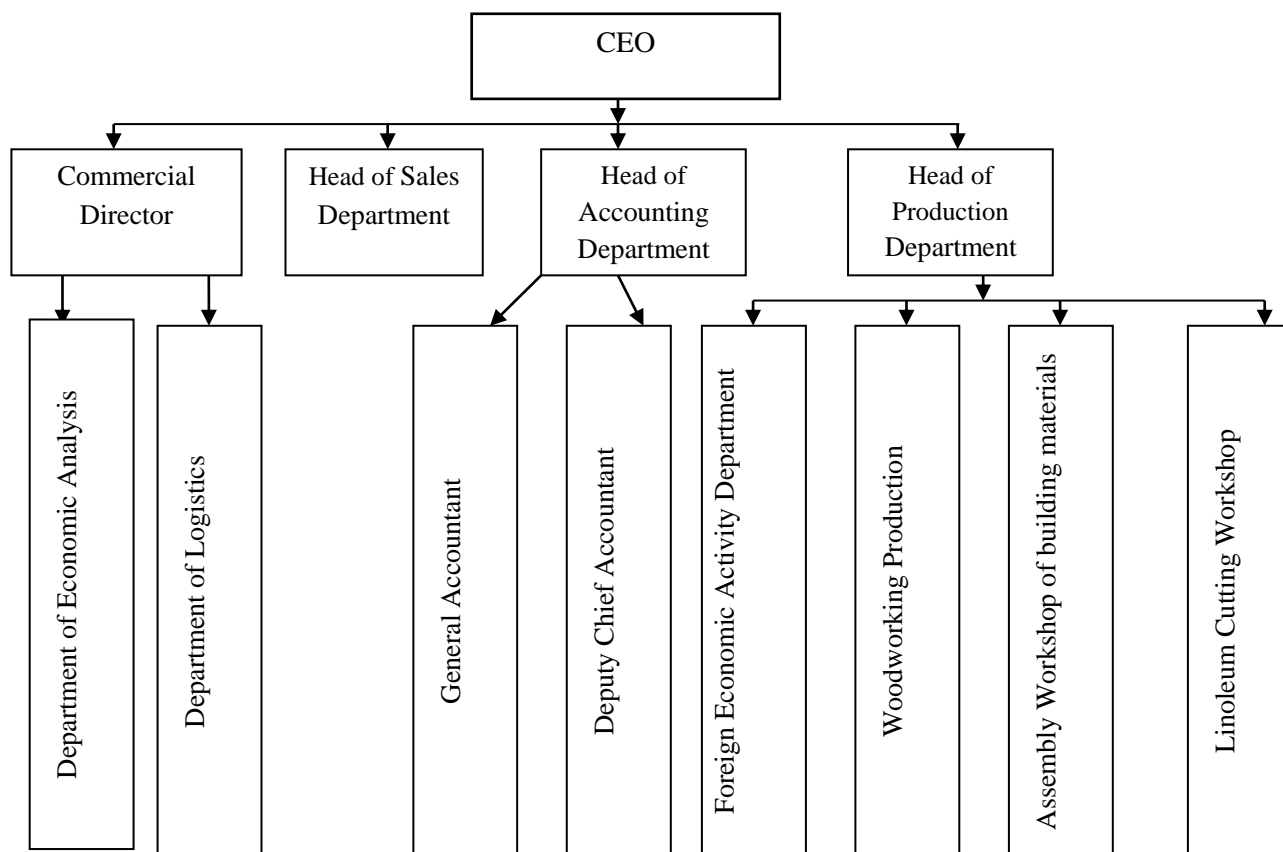


Fig. 2.1. Organizational structure of LLC “ECOZON”

From the first days of work of the company in the relations with clients the partnership individual approach, flexible pricing policy with possibility of delay of payments, the maximum consideration of wishes of customers were applied. Since its foundation LLC “ECOZON” has been staffed by experienced people who have long established themselves as professionals and experts in their field.

The line manager in the development of appropriate solutions, programs, plans is assisted by his functional deputies. They make their decisions through senior management and bring them to lower level executives, their role in the enterprise is very significant as they carry out technical preparation of activities, develop options for decisions related to management of activities, release the CEO from planning, financial calculations, logistical support, etc.

Financial management is managed by a commercial director. Together with the CEO, he is responsible for the financial condition of the company. Marketing and marketing activity belongs to the head of sales department. Accounting of the firm is performed by the chief accountant. Also at the enterprise there are trade shops (metal welding, joinery, etc.).

The commercial director carries out the operative planning, realization of the set tasks, makes appropriate adjustments and supervises the process of the plan implementation. In general, the economic service is based on the principle of maximum consideration of the dynamics of the environment. Based on this, the commercial director carries out pricing, forecasting, economic analysis and personnel management. Based on the CEO's development strategy, he builds his business on the basis of information received from the CFO, the sales manager and the chief accountant.

The basis of the activity of LLC “ECOZON” is the Charter, which reflects the mandatory rules of mutual relations in the enterprise itself and in relations with other economic entities. The charter must comply with the requirements and provisions of the Commercial Code of Ukraine. The charter of the enterprise indicates its name and location, the owner or founders, the purpose and directions of activity, governing bodies, the procedure for their formation, the authority of the labor collective and its

elected bodies, sources and procedure for the formation of property, economic activity, procedure of reorganization and liquidation of the enterprise. Some enterprises may provide for foreign economic activity. The Charter defines an authority that has the right to represent the interests of the labor collective. These functions can be performed by the labor council or the trade union committee.

Activities of LLC “ECOZON” are regulated by means of economic legislation. It covers both economic laws in their own sense, and other regulatory acts on issues of economic livelihoods. Normative acts that regulate economic activities LLC “ECOZON” are:

1. Constitution of Ukraine. It regulates issues of economic activity in the articles of ownership, entrepreneurship, defined the competence of state government, the President, the Verkhovna Rada and the Cabinet of Ministers of Ukraine.

2. Laws regulating economic relations are divided into:

- laws, which regulate general questions of economic activity (laws of Ukraine “On economic societies”, “On innovation activity”, “On foreign economic activity”, “On restoring solvency of the debtor or recognition of bankruptcy”, etc.);

- laws on certain types of economic activity;

- laws on certain types and relationships in economic activity. These include normative acts of economic legislation, embodied in the Economic, Budget, Civil and Tax Codes of Ukraine.

The legal status of the entity is a legal entity. LLC “ECOZON” operates on the basis of current legislation of Ukraine and the Charter. LLC “ECOZON” acquired legal personality upon its registration, according to the current legislation of Ukraine, has independent balance, round seal and stamps with its name, forms, trademark, logo, settlement, currency and other bank accounts Ukraine and other and countries.

According to the Charter, LLC “ECOZON” is liable for its obligations under the current legislation only to its property and costs. The state, its bodies and organizations are not responsible for the obligations of company, and company, in turn, is not responsible for the obligations of the state, its bodies and organizations. The Company is also not responsible for the obligations of its members. The

participants are also responsible for the obligations of the company within the limits of their contributions.

According to the Charter, property of LLC “ECOZON” is represented by fixed assets and working capital, as well as other values, the value of which is reflected in the independent balance of the company. In accordance with the laws of Ukraine, the Articles of Association of the company and the concluded agreements, the property of the company belongs to him on the property right. The Company exercises the rights of owning, using, disposing of its property. The Company has the right to sell, buy, transfer and receive free of charge, exchange, rent and lease, to rent and borrow for temporary use or loan houses, structures, land, equipment, vehicles, inventory, raw materials and other tangible assets, as well as take them on the balance sheet and write off the balance sheet.

The sources of formation of property of LLC “ECOZON”, according to the Charter, are: monetary and material contributions; income derived from the sale of products, as well as from other types of economic activity; loans from banks and other creditors; acquisition of property of another enterprise, organization; free or charitable contributions, donations from organizations, businesses and citizens; other sources not prohibited by the legislation of Ukraine.

LLC “ECOZON” is the owner, the property transferred to it the ownership of the participants; products produced as a result of economic activity; income received; other property acquired on grounds not prohibited by law.

The net profit obtained after covering the material and related expenses, the introduction of taxes provided by the current legislation of Ukraine, payment of interest on loans and other obligatory and payments to the budget, remains in full disposal of the company.

LLC “ECOZON” makes contributions to the state budget for social insurance and pensions in the manner and at the rates prescribed by the current legislation of Ukraine. LLC “ECOZON” makes operational, accounting and statistical records and accountability under the law. The financial activity of the company is carried out on the basis of plans approved by the decision of the highest body of the company.

Thus, LLC “ECOZON” operates in the construction sphere of Ukraine. The organizational and functional structure of LLC “ECOZON” consists of separate departments, each of which fulfills its functional duties and spends the resources of the enterprise on its needs.

2.2. Research of financial and economic activity of the enterprise

An important factor in the development of LLC “ECOZON” is the cash receipts that exceed the payments of the enterprise. The availability or lack of funds will ultimately depend on the ability of the enterprise to operate, its competitiveness and financial position. The analysis of financial condition is based on financial reporting and accounting data, on the calculation and comparison of a significant number of indicators and coefficients for 2016-2019.

The analytical balance of LLC “ECOZON” is represented in Table 2.1.

Table 2.1

Analytical balance of LLC “ECOZON” for 2016-2018

Indicators	2016		2017		2018		Deviation 2018 / 2016	
	ths. UAH	%	ths. UAH	%	ths. UAH	%	ths. UAH	%
Assets								
Non-current assets	19056	16.64	18993	17.39	26013	20.61	+6957	+36.51
Current assets	95414	83.32	90156	82.54	100223	79.39	+4809	+5.04
- stocks	16105	14.06	14512	13.29	21108	16.72	+5003	+31.06
- receivables	4052	3.54	5271	4.83	2120	1.68	-1932	-47.68
- cash	75227	65.69	70304	64.37	76817	60.85	+1590	+2.11
- other current assets	30	0.03	69	0.06	178	0.14	+148	+493.33
Other assets	51	0.04	74	0.07	0	0	-51	-100.00

Table 2.1 continuation

Indicators	2016		2017		2018		Deviation 2018 / 2016	
	ths. UAH	%	ths. UAH	%	ths. UAH	%	ths. UAH	%
Liabilities								
Equity	92286	80.58	90280	82.66	99183	78.57	+6897	+7.47
Current liabilities	22235	19.42	18943	17.34	27053	21.43	+4818	+21.67
Short-term bank credits	3000	2.62	0	0	0	0	-3000	-100.00
Payables	18788	16.41	18368	16.82	26220	20.77	+7432	+39.56
Other current commitments	447	0.39	575	0.53	833	0.66	+386	+86.35
Balance	114521	100	109223	100	126236	100	+11715	+10.23

* Developed on the basis of LLC “ECOZON” data

During the period of 2016-2018, the currency growth of LLC “ECOZON” increased by UAH 11715 thousand or 10.23% (Fig. 2.2).

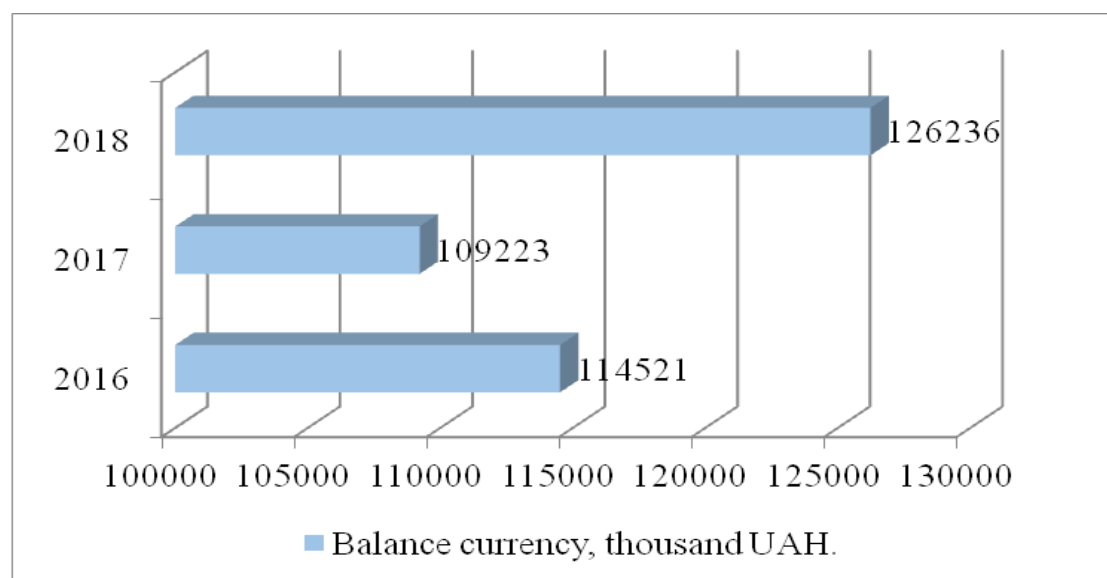


Fig. 2.2. Dynamic balance LLC “ECOZON” for 2016-2018

* Developed on the basis of LLC “ECOZON” data

It should be noted that the balance currency growth of LLC “ECOZON” was made due to the increase of the value of non-current assets by 6957 thousand UAH or 36.51% (Fig. 2.3).

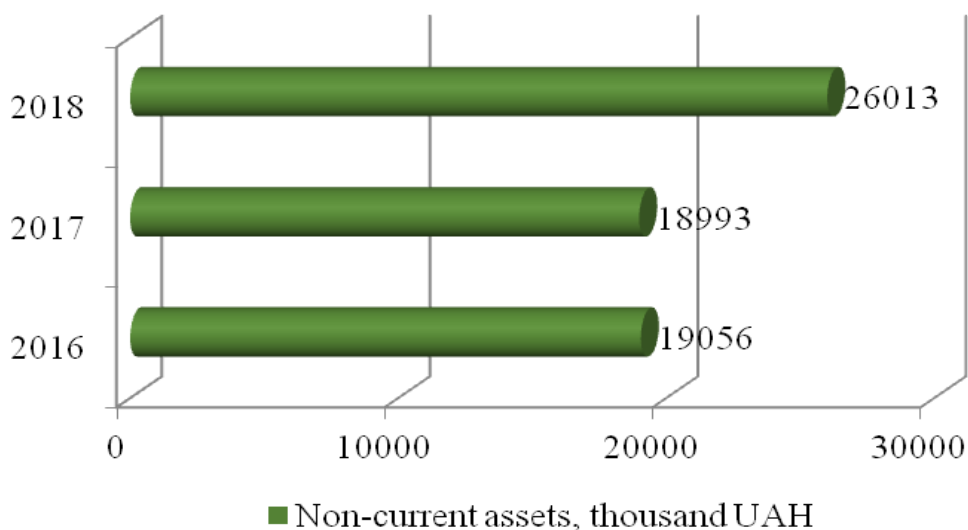


Fig. 2.3. Dynamics of fixed assets LLC “ECOZON” for 2016-2018

* Developed on the basis of LLC “ECOZON” data

In 2018, compared to 2016, the growth in the value of current assets increased by 4809 thousand UAH or by 5.04% (Fig. 2.4).

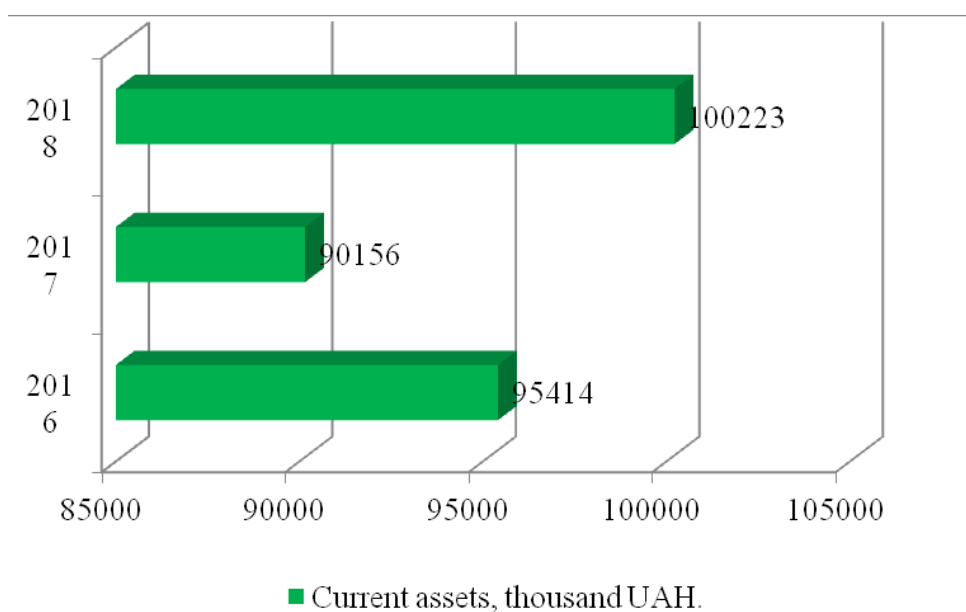


Fig. 2.4. The dynamics of the current assets of the LLC “ECOZON” in 2016-2018

* Developed on the basis of LLC “ECOZON” data

It should be noted that the growth of current assets was due to an increase in cash funds by 1590 thousand UAH or 2.11% and other current assets by 148 thousand UAH or 493.33%.

Fig. 2.5 shows the dynamics of own and attracted capital of LLC “ECOZON”.

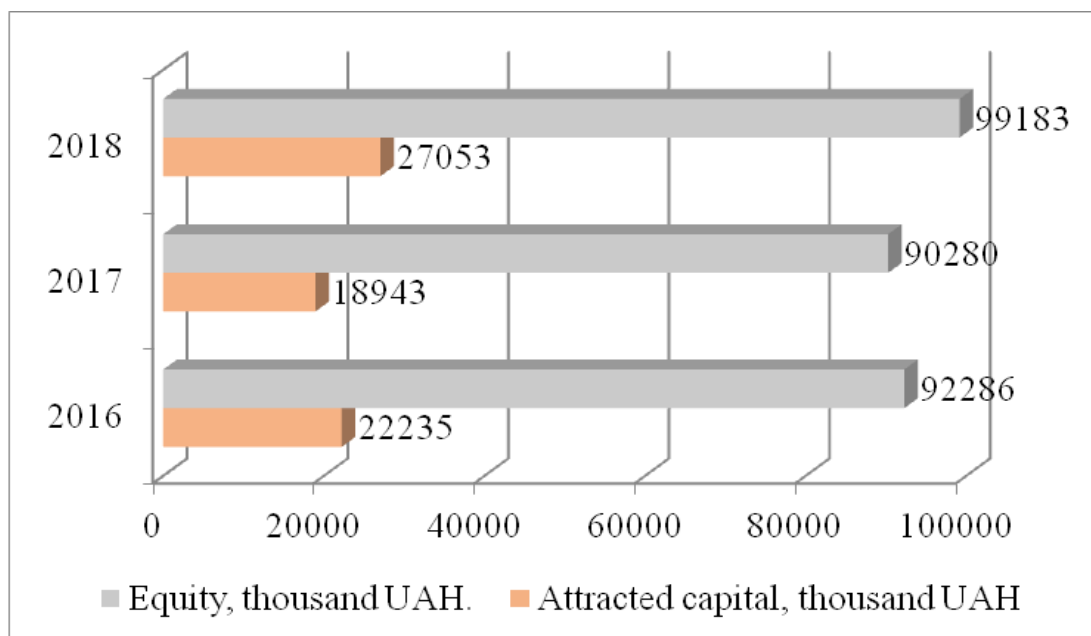


Fig. 2.5. Dynamics of own and attracted capital of LLC “ECOZON” for 2016-2018

* Developed on the basis of LLC “ECOZON” data

Thus, during the period of 2016-2018, the equity capital of LLC “ECOZON” increased by UAH 6897 thousand or 7.47%. Also, during 2016-2018, the growth of current liabilities amounted to 4818 thousand UAH or 21.67%. An increase in the value of current liabilities was triggered by an increase in payables by 7432 thousand UAH or 39.56% and other current liabilities by 386 thousand UAH or 86.35%.

It is also necessary to analyze the composition and structure of funding sources at LLC “ECOZON” (Fig. 2.6).

Thus, over the years 2016 and 2018, among the sources of funding, the largest share belongs to equity (80.58% in 2016, 82.66% in 2017 and 78.57% in 2018).

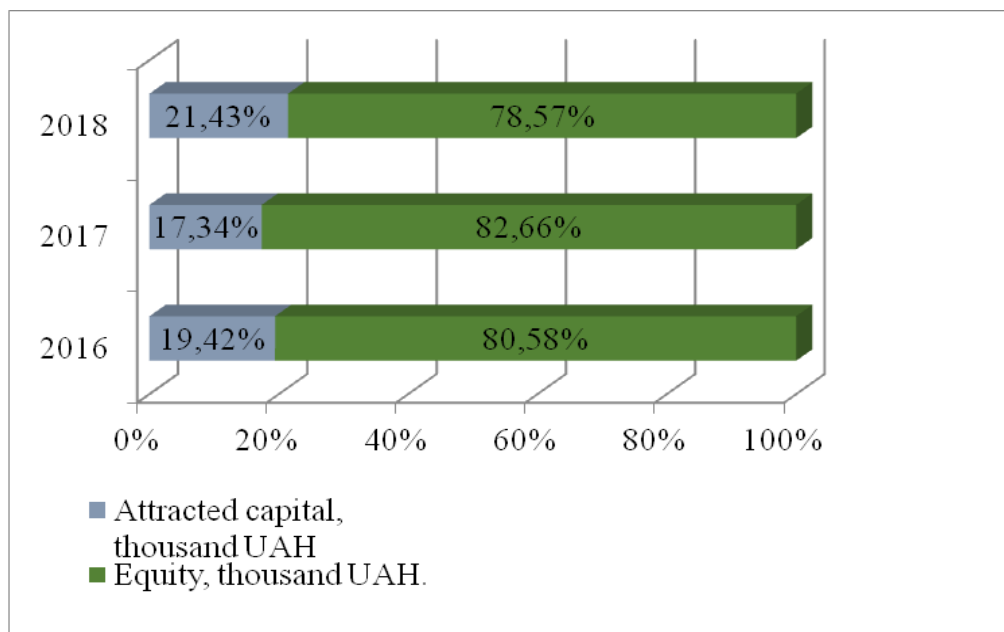


Fig. 2.6. Structure of funding sources of LLC “ECOZON” in 2016-2018

* Developed on the basis of LLC “ECOZON” data

Consequently, the analysis of the dynamics of assets and liabilities of the balance of LLC “ECOZON” allows us to conclude that the growth of financial resources was achieved at the expense of its own funds, the main part of which was aimed at replenishing working capital.

To determine the liquidity of LLC “ECOZON” balance sheet, comparing the results for each group of assets and liabilities, was used (Table 2.2).

As of December 31, 2018, LLC “ECOZON” has the most liquid assets in the amount of payables, and the payment surplus amounted to 50565 thousand UAH at the year-end. This suggests that by the end of the year, company's urgent liabilities were covered by the most liquid assets. At the end of the year, excessive short-term assets were identified over short-term liabilities, that is, the payment surplus amounted to 1319 thousand UAH. This suggests that short-term liabilities can be settled by funds at the end of the reporting year. Slowly realized assets exceeded long-term liabilities, respectively, by 21286 thousand UAH. Excess of permanent liabilities over hard-to-sell assets by 73170 thousand UAH testifies that the company does not have enough own working capital.

Balance sheet liquidity of LLC “ECOZON” for 2016-2018, ths. UAH

Code	Name of indicators	2016	2017	2018
A1	The most liquid assets	75227	70304	76817
P1	The most urgent obligations	18835	18368	26252
A1-P1	Security P1	56392	51936	50565
A2	Assets that are quickly implemented	4052	5271	2120
P2	Short-term liabilities	3400	575	801
A2-P2	Security P2	652	4696	1319
A3	Assets that are slowly being implemented	16186	14655	21286
P3	Long-term liabilities	0	0	0
A3-P3	Security P3	16186	14655	21286
A4	Assets that are difficult to realized	19056	18993	26013
P4	Fixed liabilities	92286	90280	99183
A4-P4	Security P4	-73230	-71287	-73170

* Developed on the basis of LLC “ECOZON” data

To assess the peculiarities of profit generation, it is expedient to carry out a horizontal analysis of the Report on the total income of LLC “ECOZON” during 2016-2018.

The dynamics of general revenues and expenditures of “ECOZON” LLC is shown in Fig. 2.7.

It should be noted that during 2016-2018 in the financial activity of LLC “ECOZON” there were such changes as the growth of total revenues of the company by UAH 3366 thousand or by 4.10% and an increase in total expenses of the enterprise by UAH 6028 thousand or 10.70%.

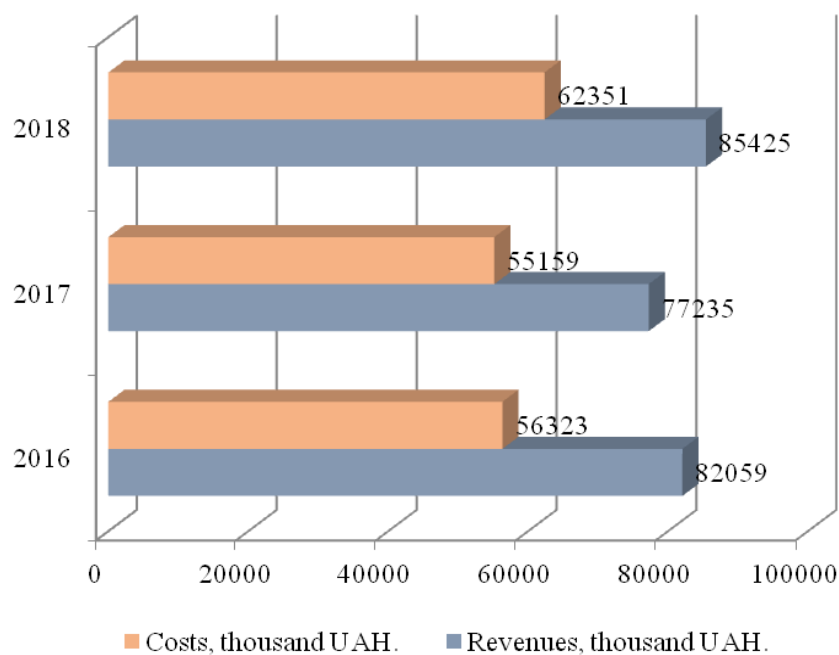


Fig. 2.7. Dynamics of general revenues and costs of LLC “ECOZON” in 2016-2018
* Developed on the basis of LLC “ECOZON” data

Dynamics of the components of revenues LLC “ECOZON” in 2016-2018 is shown in Fig. 2.8.

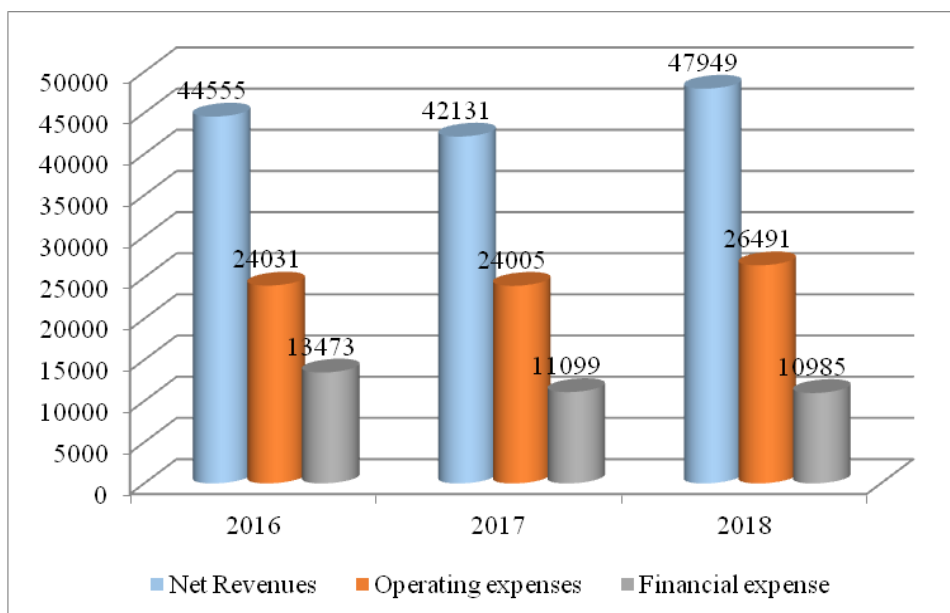


Fig. 2.8. Dynamics of revenue components of LLC “ECOZON” in 2016-2018, ths. UAH
* Developed on the basis of LLC “ECOZON” data

So, during 2016-2018 there was an increase in net revenues from the sale of services by UAH 3394 thousand or 7.62% and other operating income by 2460 thousand UAH or by 10.24%. Instead, in 2018, compared to 2016, there was a decrease in the financial incomes of LLC “ECOZON” by UAH 2488 thousand or 18.47%.

In Fig. 1.9 an income structure for 2016-2018 is presented.

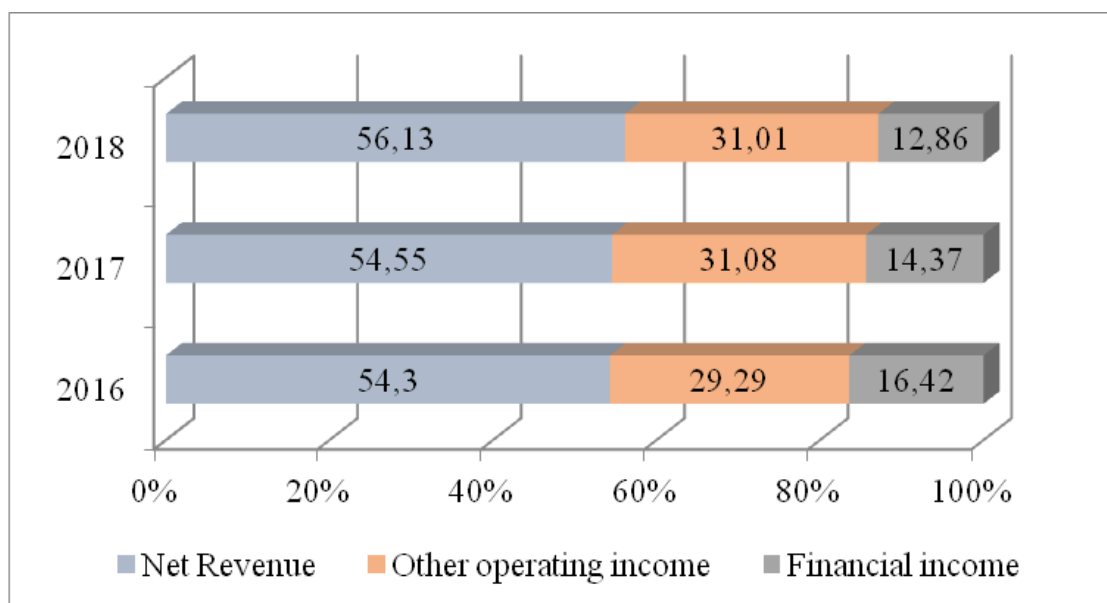


Fig. 2.9. Structure of income of the LLC “ECOZON” during 2016-2018

* Developed on the basis of LLC “ECOZON” data

It should be noted that in the structure of revenues of LLC “ECOZON”, the largest share belongs to the net proceeds from the sale of products (goods, works, services) of the enterprise – 54.3% in 2015, 54.55% in 2016 and 56.13 % in 2018.

As of December 31, 2018, compared to the corresponding indicator of 2017, it is expedient to note that there was an increase in total costs of LLC “ECOZON” by UAH 5442 thousand or 53.83%, which occurred due to an increase in such items of expenditure as: the cost of services sold to 4287 thousand UAH or 70.42% and operating expenses of 3053 thousand UAH or 143.81% (Fig. 2.10).

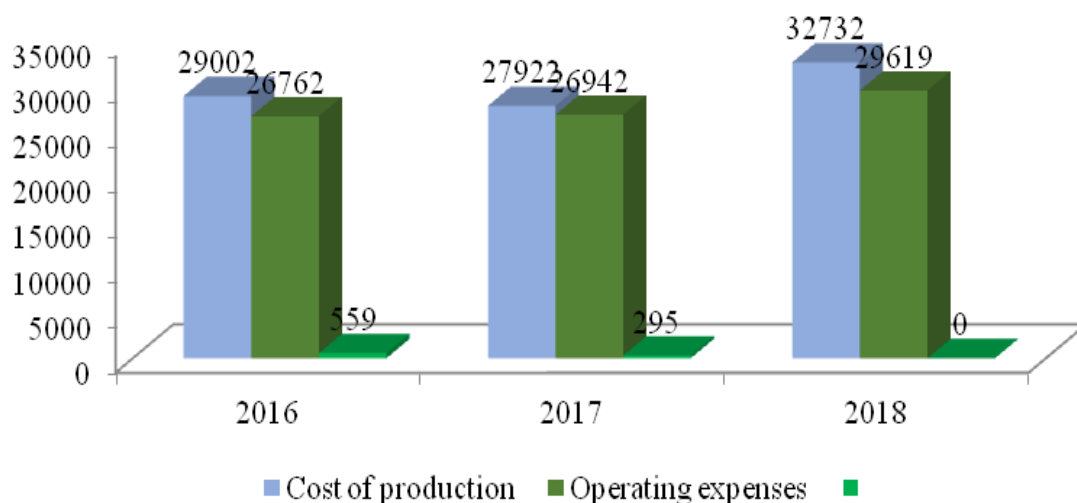


Fig. 2.10. Dynamics of costs of LLC “ECOZON” during 2016-2018 (ths. UAH)

* Developed on the basis of LLC “ECOZON” data

The cost structure of LLC “ECOZON” for 2016-2018 is provided in Fig. 2.11.

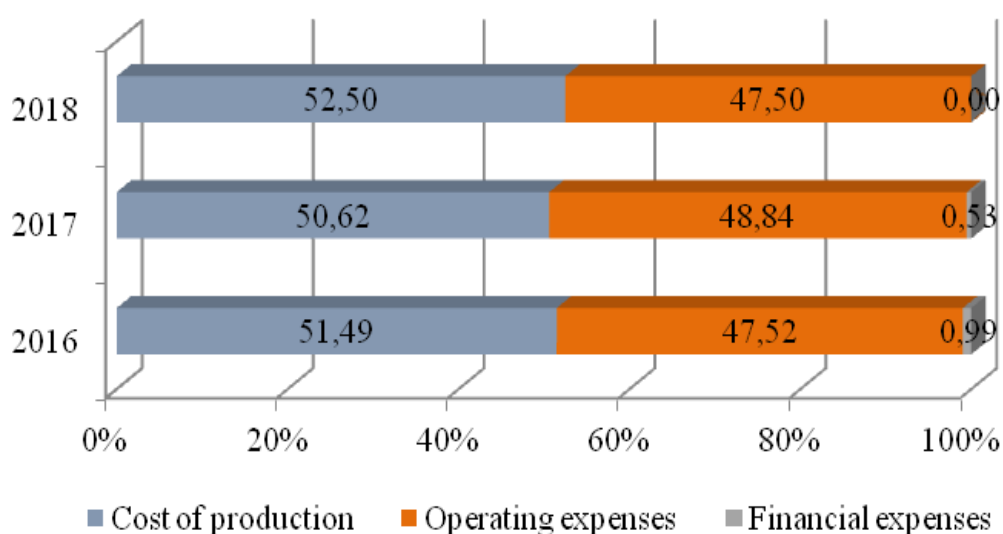


Fig. 2.11. Structure of costs of LLC “ECOZON” in 2016-2018 (%)

* Developed on the basis of LLC “ECOZON” data

In the course of the analysis it follows that among the total expenditures of LLC “ECOZON”, the largest share is the cost of sales – 51.49% in 2016, 50.62% in 2017, and in 2018 – 52.50%.

At the same time, it should be noted that for 2016-2018, there is an increase in total operating expenses in LLC “ECOZON” by 2345 thousand UAH or 8.60% (Fig. 2.12).

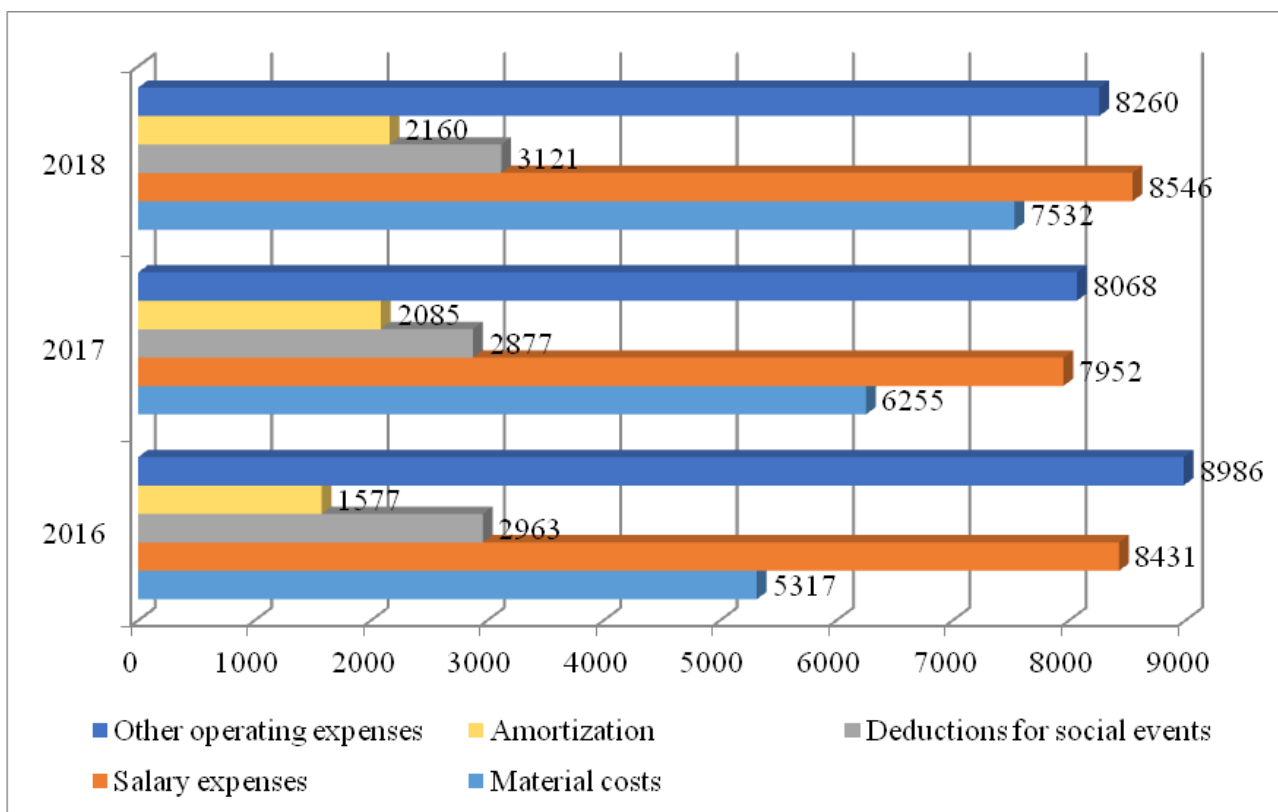


Fig. 2.12. Recurrent operating costs of LLC “ECOZON” in 2016-2018, ths. UAH

* Developed on the basis of LLC “ECOZON” data

Thus, an increase in operating expenses of LLC “ECOZON” was due to the increase in material costs by UAH 2215 thousand or by 41.66%, labor costs by 115 thousand UAH or 1.36%, deductions for social events for 158 thousand UAH or 5.33%, depreciation of 583 thousand UAH or 36.97%.

The structure of operating expenses of LLC “ECOZON” is shown in Fig. 2.13.

Thus, during the 2016-2018, the largest share in the structure of operating expenses of LLC “ECOZON” was spent on labor remuneration – 30.91% in 2016, 29.20% in 2017 and 28.85% in 2018; other operating expenses – 32.95% in 2016, 29.62% in 2017 and 27.89% in 2017 and material costs – 19.49% in 2016, 22.97% in 2017 and 25.43% in 2018.

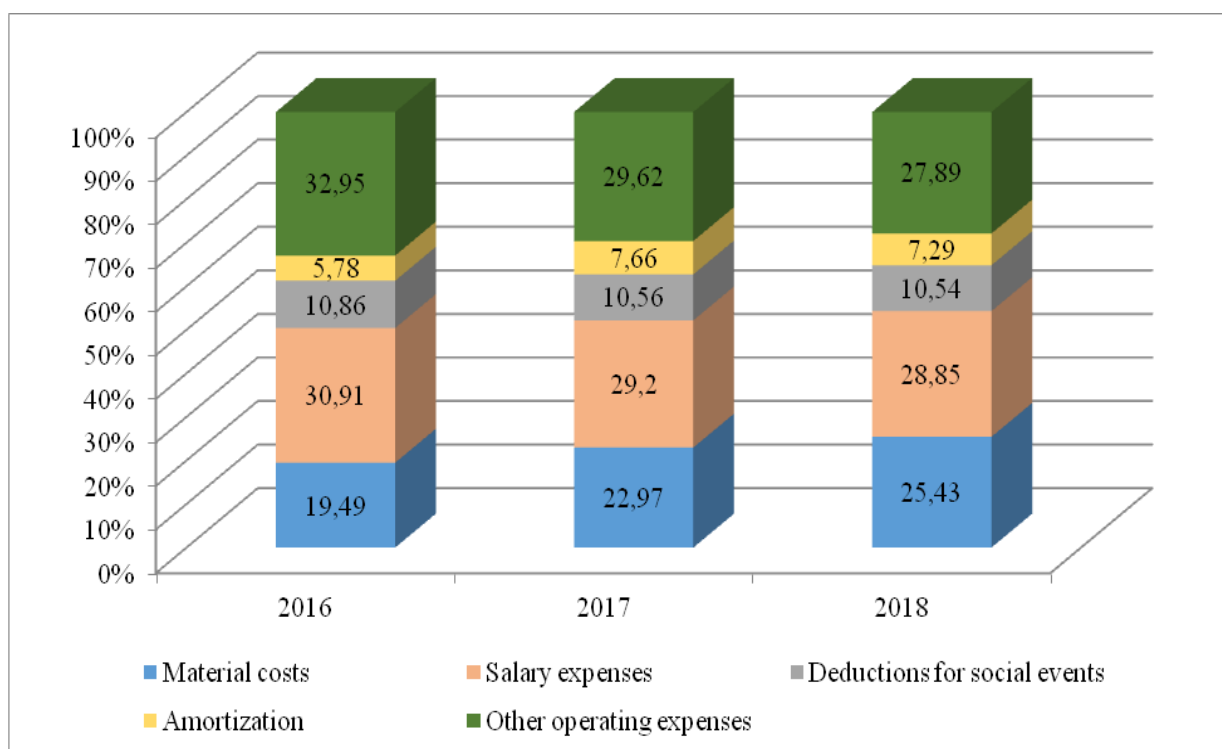


Fig. 2.13. Structure of operating costs of LLC "ECOZON" in 2016-2018

* Developed on the basis of LLC "ECOZON" data

The peculiarities of the formation of net profit of LLC "ECOZON" were studied (Table 2.3).

Table 2.3

Formation of the net profit of LLC "ECOZON" for 2016-2018

Name of the indicator	Years			Deviation of the 2018/2016	
	2016, ths. UAH	2017, ths. UAH	2018, ths. UAH	UAH, ths	%
Net income (revenue) from the sale of goods (works, services)	44555	42131	47949	+3394	+7,62
Cost of sales (goods, works, services)	29002	27922	32732	+3730	+12,86
Gross profit	15553	14209	15217	-336	-2,16
Other operating incomes	24031	24005	26491	+2460	+10,24
Administrative costs	4212	3615	3824	-388	-9,21
Costs of sales	22550	23327	25795	+3245	+14,39
Financial results from operating activities	12822	11272	12089	-733	-5,72

Table 2.3 continuation

Name of the indicator	Years			Deviation of the 2018/2016	
	2016, ths. UAH	2017, ths. UAH	2018, ths. UAH	UAH, ths	%
Other financial income	13473	11099	10985	-2488	-18,47
Financial costs	559	295	0	-559	-100,00
Income from ordinary activities before taxation	25736	22076	23074	-2662	-10,34
Tax on profit on ordinary activities	5114	4128	4169	-945	-18,48
Income from ordinary activities	20622	17948	18905	-1717	-8,33
Net profit	20622	17948	18905	-1717	-8,33

* Developed on the basis of LLC “ECOZON” data

Thus, during 2016-2018 there was a decrease in net profit of the company by 1717 thousand UAH or by 8.33%, as a result of the reduction of gross profits of LLC “ECOZON” by 336 thousand UAH or by 2.16%, an increase in the cost price of sold products by 3730 thousand UAH or by 12.86%, an increase in sales costs by 3245 thousand UAH or by 14.39%, reducing other financial incomes by UAH 2488 thousand or 18.47%.

The effectiveness of financial and economic activity of the enterprise is determined by the efficiency of the enterprise, that is, the presence of profit or loss. Therefore, based on certain amounts of income and expenses of the enterprise, analysis of its final results was carried out (Fig. 2.14).

In accordance with Fig. 2.14, during 2016-2018, LLC “ECOZON” operated profitable activities (net profit was 20622 thousand UAH in 2016, 17948 thousand UAH in 2016 and 18905 thousand UAH in 2018). In 2018, compared to 2016, there was a decrease in net profit of LLC “ECOZON” by 1717 thousand UAH or 8.33%.

In accordance with Fig. 2.14, during 2016-2018, LLC “ECOZON” operated profitable activities (net profit was 20622 thousand UAH in 2016, 17948 thousand UAH in 2016 and 18905 thousand UAH in 2018). In 2018, compared to 2016, there was a decrease in net profit of LLC “ECOZON” by 1717 thousand UAH or 8.33%.

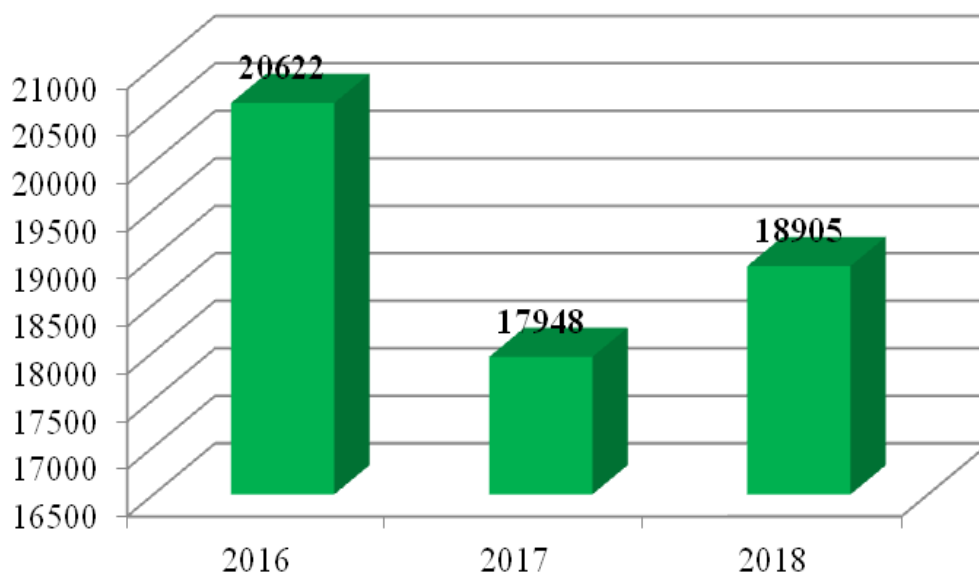


Fig. 2.14. Dynamics of net profit of LLC “ECOZON” for 2016-2018, ths. UAH

* Developed on the basis of LLC “ECOZON” data

Schematically, the distribution of net profit in the enterprise is depicted in Fig. 2.15.

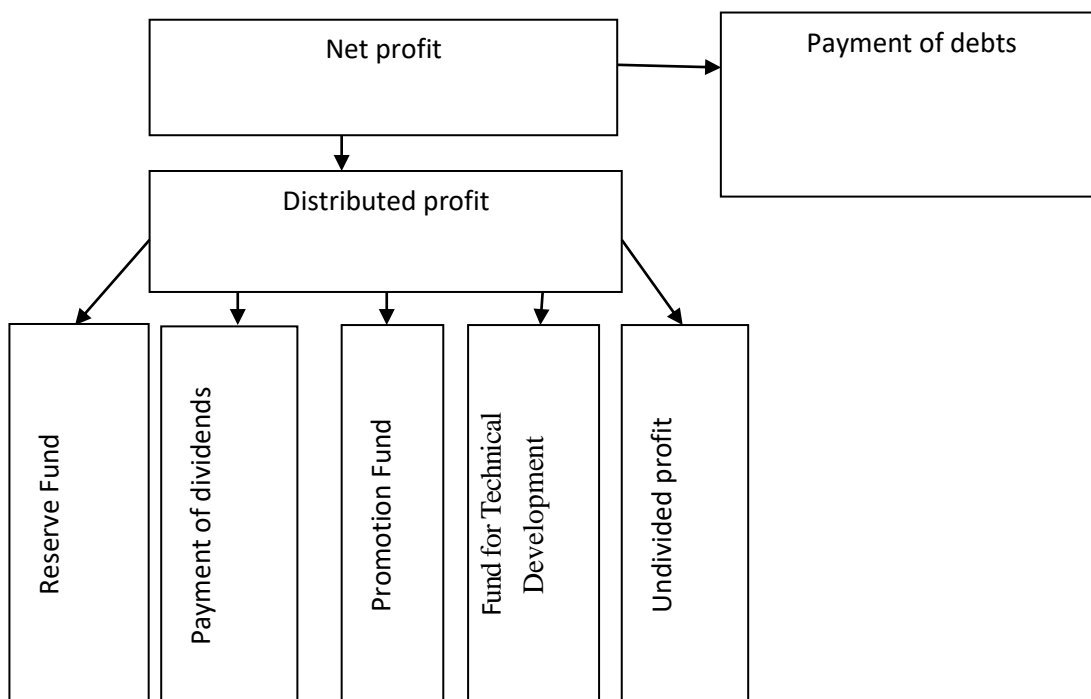


Fig. 2.15. Net profit distribution scheme for LLC “ECOZON”

The directions of profits of LLC “ECOZON” during 2018 are shown in Table 2.4.

Table 2.4

Directions of profit utilization of LLC "ECOZON" in 2018

The name of the funds	Amount, ths. UAH	Share, %
1. The reserve fund	945,3	5
2. Payment of dividends	4726,3	25
3. Foundation for the promotion	3781,0	20
4. Fund for technical development	6616,8	35
5. Retained earnings	2835,8	15
Total	18905,0	100

* Developed on the basis of LLC “ECOZON” data

Thus, during 2018, the largest net profit of LLC “ECOZON” was used for technical development funds – 35%, and the dividend payment fund was 25%.

In Fig. 2.16 depicts the percentage of net profit that is directed towards the formation of funds.

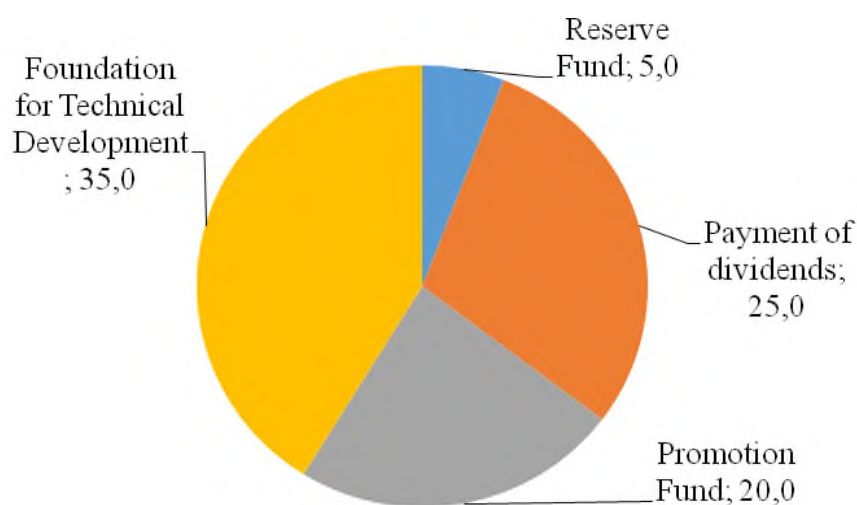


Fig. 2.16. Directions for net profit use of LLC “ECOZON” in 2018

* Developed on the basis of LLC “ECOZON” data

It is worth noting that before the approval of the annual profit-making plan, the management of LLC “ECOZON” collects the founders’ meeting, since organizational issues and cash are solved collectively. The strategy and tactics of the enterprise are quite real, so the management hopes for the future prosperity of the company and increase profits. The company should increase the pace of development, for which it is necessary to develop a system of strategic and tactical plans.

An analysis of the efficiency of the economic activity of the enterprise in order to determine the financial state of LLC “ECOZON” was carried out, using financial reporting data for 2016-2018.

Results of calculating liquidity indicators of the enterprise are presented in Table 2.5.

Thus, during 2016-2018 there was a decrease in such liquidity indicators: the absolute liquidity ratio was 0.543; the coefficient of intermediate liquidity by 0.643 and the ratio of total liquidity (coverage) to 0.586. Also, during 2016-2018, there was a decrease in working capital by 9.0 thousand UAH, which resulted from the reduction of liquid assets.

Table 2.5

Liquidity indicators of LLC “ECOZON” for 2016-2018

Name of the indicator	2016	2017	2018	2017/ 2016	2018/ 2017	2018/ 2016
The coefficient of absolute liquidity	3,383	3,711	2,84	+0,328	-0,871	-0,543
The coefficient of the intermediate liquidity	3,567	3,993	2,924	+0,426	-1,069	-0,643
Total liquidity ratio (coverage)	4,291	4,759	3,705	+0,468	-1,054	-0,586
Own working capital, ths. UAH	73179	71213	73170	-1966	+1957	-9,0

* Calculated on the basis of LLC “ECOZON” data

Profitability is one of the basic economic categories of the economy, which is directly related to the receipt of profits. The calculation results of profitability indicators of LLC “ECOZON” are presented in the form of Table 2.8.

Table 2.8

Return on capital of LLC “ECOZON” during 2016-2018

№	Indicator	2016	2017	2018	2018 / 2016
1.	Profit from realization of goods (works, services), ths. UAH	12822	11272	12089	-733
2.	Net profit (loss), ths. UAH	20622	17948	18905	-1717
3.	The average cost of assets, ths. UAH	114521	109223	126236	+11715
4.	The average cost of equity capital, ths. UAH	92286	90280	99183	+6897
5.	Total return on assets, %	62,18	62,80	63,95	+1,77
6.	The net return on assets, %	18,01	16,43	14,98	-3,03
7.	Return on equity, %	22,35	19,88	19,06	-3,29

* Developed on the basis of LLC “ECOZON” data

Analyzing the activity of LLC “ECOZON”, an increase in total return on assets in 2018, compared to 2016, was observed at 1.77% (as of December 31, 2018, the figure was 63.95%). In 2018, compared to the corresponding period of 2016, the net return on assets of ths. UAH decreased by 3.03% and amounted to 14.98% as at 31.12.2018. Estimating the return on equity, it can be seen that in 2018, it was 3.29% higher than in 2016, and amounted to 19.06%.

The profitability of products which characterizes the cost effectiveness of its production and sales was calculated (Table 2.9).

Considering the data from the calculations, one can conclude that the unjustified high level of administrative costs affects the level of profitability, which makes the enterprise less attractive to investors. In this regard, the overall profitability of LLC “ECOZON” in 2018, compared to 2016, decreased by 3.60% and amounted to 19.39% of net profit in 2018.

Profitability indicators of LLC "ECOZON" during 2016-2018

№	Indicator	2016	2017	2018	2018/ 2016
1.	Income from realization of goods (works, services), thsd. UAH	12822	11272	12089	-733
2.	Net profit (loss), thsd. UAH	20622	17948	18905	-1717
3.	The production cost of production, thous. UAH	29002	27922	32732	+3730
4.	Administrative costs, thous. UAH	4212	3615	3824	-388
5.	Costs of sales of products, thous. UAH	22550	23327	25795	+3245
6.	The overall profitability of products,%	22,99	20,55	19,39	-3,60
7.	Net profitability of products,%	36,98	32,71	30,32	-6,66

* Developed on the basis of LLC "ECOZON" data

It should be noted that as of December 31, 2018, compared to the corresponding period of 2016, the net profitability of products decreased by 6.66% and amounted to 30.32% of net profit of the enterprise in 2018.

Thus, as of December 31, 2018, compared to 2016, the net profit ratio at LLC "ECOZON" decreased by 0.07, which occurred due to the reduction of net profit of the company by 1717 thousand UAH. Since there are no standard values for this indicator, it is obvious that the managers of the company are interested in obtaining its maximum value subject to the desired level of risk (Table 2.10).

Table 2.10

Net profit indicators of LLC "ECOZON" in 2016-2018

№	Indicator	2016	2017	2018	2018/ 2016
1	Net profit (loss), ths. UAH	20622	17948	18905	-1717,00
2	Net income, ths. UAH	44555	42131	47949	+3394,00
3	Net profit ratio,%	0,46	0,43	0,39	-0,07

* Developed on the basis of LLC "ECOZON" data

The profitability of assets characterizes the level of net profit generated by all assets of the enterprise that are in its use on the balance sheet. Characterizes how efficiently an enterprise uses its assets to generate profits, that is, what profit each hryvnia invests in the assets of an enterprise (Table 2.11).

Table 2.11

Profitability of assets of LLC "ECOZON" in 2016-2018

№	Name of the indicator	2016	2017	2018	2018 / 2016
1.	Net profit, thsd. UAH	20622	17948	18905	-1717
2.	The average value of assets, UAH	114521	109223	126236	+11715
3.	Profitability ratio,%	18,01	16,43	14,98	-3,03

* Developed on the basis of LLC "ECOZON" data

Analyzing the profitability of the assets of LLC "ECOZON", one can conclude that the company is rather profitable.

Data of the factor analysis of the profitability of sales of products on the profit from the sale of goods, works, and services are shown in Table 2.12.

Table 2.12

Data holding analysis of profitability of LLC "ECOZON" sold products

№	Indicators	2017 (basis)	2018 (fiscal)	Deviation of 2018/2017	
				Abs. dev.	%
1.	Profit from sales of goods, works, services, ths. UAH	11272	12089	+817	+7,25
2.	Net income from realization of goods (works, services), ths. UAH	42131	47949	+5818	+13,81
3.	Profitability of sales on net profit,%	26,75	25,21	-1,54	-5,77

* Developed on the basis of LLC "ECOZON" data

Thus, after analyzing the main indicators characterizing the level of profitability of the enterprise, it can be said that the profitability of the enterprise during 2016-2018 was rather high, which was related to profitable activity of the enterprise. But if analyzing 2017-2018, it is worth noting that the level of profitability of LLC “ECOZON” reduced, which is related to parallel increase of December 31, 2018 received 14.98% of each hryvnia invested in the assets of the enterprise.

Summing up the above analysis of organizational and economic activity of LLC “ECOZON”, it should be noted that during 2016-2018 one can see increase of assets of the company by 11715 thousand UAH or 10.23%, which was due to the growth of non-current assets at 6957 thousand UAH or 36.51%, current assets at 4809 thousand UAH or 36.51%. Also, during 2016-2018, we maintain the increase in the obligations of LLC “ECOZON” in connection with the growth of the company's own capital by UAH 6897 thousand or by 7.47% and attracted capital by 4818 thousand UAH or 21.67%. The increase in the balance of LLC “ECOZON” testifies to the growth of trade opportunities of the company and the growth of demand for products. It should be noted that during 2016-2018 there was a decrease in the level of efficiency of the financial and economic activity of the enterprise, which is connected with the reduction of net profit of LLC “ECOZON”.

2.3. Strategic analysis of LLC “ECOZON”

Today, most domestic enterprises are experiencing economic difficulties, which are connected with external national problems (instability of the political situation, imperfection of the legal framework, non-payment, "downturn" of production), and with internal problems – ineffective marketing, inefficient use of funds, ineffective production management, imbalance of economic flows, etc. The combination of these factors causes the need for a permanent diagnosis of the economic situation of the company with the aim of early diagnosis of its crisis development and the development of protective mechanisms for crisis management

of finance, depending on the factors detected and the strength of their influence. Under such conditions, the main role in the system of crisis management of the enterprise should be given to the widespread use of internal mechanisms for achieving economic stabilization.

The concept of the formation and development of the success LLC "ECOZON" is based on the diagnosis of everything that occurs within the enterprise, the study of external processes and on the basis of this planning of the future. The main task of the formation and development of success is to support the internal stability of the enterprise in a constantly changing environment. The formation and development of the company's success is oriented towards the work in conditions of increasing instability of the environment and involves the use of SWOT to identify additional chances, increase the flexibility of the stock, and increase the time resource for the adoption and implementation of appropriate measures for impending threats. The ideology of the use of SWOT for the formation and development of success of the enterprise is based on the assumption that any adverse phenomena or the prospect of growth of opportunities do not arise suddenly, but are conditioned by the appearance of precursors or "weak signals". Weak signals are early and inaccurate signs of the onset of important events, which eventually become more reliable and turn into strong signals.

The generalized scheme of formation and development of the success of "ECOZON" LLC for weak signals using the SDPP is shown in Fig. 2.17.

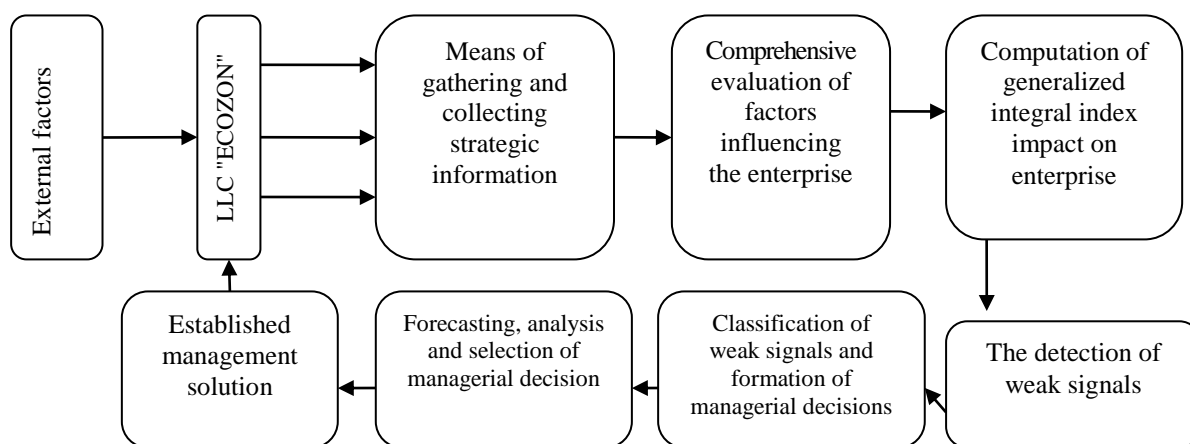


Fig. 2.17. Scheme of formation and development of the success of LLC "ECOZON" for weak signals

The main components of the system of formation and development of the success of LLC “ECOZON” for weak signals are the means: collecting and accumulation of strategic information; complex assessment of the factors of influence on the enterprise; calculation of the generalized integral index of influence on the enterprise; detecting weak signals; the classification of weak signals and the formation of managerial decisions; forecasting, analysis and management decision making; formation of managerial decision.

The adaptive model of the formation and development of the success of “ECOZON” LLC is implemented as a heterogeneous system using components of different types of strategic management. The formation and development of success with weak signals is based on observing and timely detected weak signals, taking early action to exploit potential opportunities, or eliminating threats. The main stages of the process of forming and developing a company's success for the weak are:

1. Collection, replenishment and analysis of information on the situation in the external and internal environment of the enterprise.

2. Decomposition of the environment of the enterprise into groups and factors of influence, their expert evaluation on the basis of analysis of accumulated strategic information and an improved scale of importance, taking into account the features of the enterprise in the research sector and providing them with a more accurate assessment.

3. The reflection of the environment of the enterprise in the form of a hierarchy of groups (economic – E, socio-cultural – S, political – P, production and technological – T, market – M, competitive – C, international – I) and factors of influence in each group, interacting and evaluated by pair wise comparison for groups of influences and computing for them a priority vector.

The most important stage in developing an effective strategy of the firm is a strategic analysis that should provide a real assessment of its own resources and capabilities in relation to the state (needs) of the external environment in which the firm operates.

Any business structure (company), regardless of which area its activities cover, cannot be isolated from the influence of extraneous factors, which together form the environment of its activities. The external environment of the company can be defined as a set of forces and entities that directly or indirectly affect the functioning of the company and work abroad.

In order to determine the place of the company LLC “ECOZON” on the market, it is needed to analyze the competitors. Competitor analysis is a very important part of the success of product sales and service delivery across Ukraine and other markets.

Today, most domestic enterprises are experiencing economic difficulties associated with both external and national problems (instability of the political situation, imperfection of the legislative base, non-payment, "recession" of production), as well as with internal problems – inefficient marketing, inefficient use of funds, inefficient production, management, imbalance of economic flows, etc. The set of these factors causes the need to constantly diagnose the economic condition of the enterprise in order to early diagnosis of its crisis development and development of protective mechanisms for crisis management of finances, depending on the identified factors and the strength of their impact. In such circumstances, the main role in the system of crisis management of the enterprise should be given wide use of internal mechanisms to achieve economic stabilization.

The concept of formation and development of success of LLC “ECOZON” is based on diagnostics of everything that happens inside the enterprise, research of external processes and on the basis of this planning of the future. The main task of the formation and development of success is to maintain the internal stability of the enterprise in a constantly changing external environment.

To determine the effectiveness of success at LLC “ECOZON”, SWOT matrix was built allowing analyzing paired combinations of strengths and weaknesses with opportunities and threats, as well as identifying priority areas of business activity and forming management accents.

It should be noted that in order to obtain the most objective information, a survey was conducted among the entire management of LLC “ECOZON”, specialists and managers of the company. The survey was conducted in October 2019. Respondents to the survey were 5 people. Here are the main questions from the survey:

1. General information about the respondent.
2. Previous activity of the manager of LLC “ECOZON”.
3. Special interests and lifestyle of the manager of LLC “ECOZON”.
4. Education of the manager of LLC “ECOZON”.
5. In your opinion, what are the main problems that hinder the effective activity of LLC “ECOZON”?
6. What problems of administrative management are most urgent for LLC “ECOZON”?

The results of the survey of managers to determine the features of formation and development of success of the enterprise are presented in Table 2.13.

As can be analyzed from the data in Table 2.13, in order to further enhance the successful potential of the enterprise, it is necessary to work on further self-development of managers and their acquisition of certain pedagogical skills. It should be noted that the survey revealed a problem that holds back managerial potential. The main disadvantages of the formation and development of the success of LLC “ECOZON” include: lack of comprehensive support for the sustainable development of LLC “ECOZON”; resilience functions are performed by different functional units; enterprise management measures to ensure sustainability are essentially reduced to counteracting threats and threats from their own personnel; ineffective system of information exchange between the functional divisions of the enterprise on the issues of ensuring stability (security), lack of security regimes, lack of the list of information that would be related to trade secret. It is necessary to work to ensure the continuous development of managers and develop the skills to educate others. This can be achieved by subscribing to relevant profile and business journals, and by purchasing relevant courses.

Table 2.13

Results of a survey of managers to determine the peculiarities of the formation and development of LLC “ECOZON” success

Strengths / Restrictions	Director	Delivery Manager	Sales Manager	Deputy director	Production engineer	Average
Ability to control oneself / Inability to manage yourself	7	8	9	8	8	8
Clear Personal Values / Blurred Personal Values	10	6	8	10	7	8.2
Clear personal goals / Blurred personal goals	10	6	7	9	6	7.6
Continuous self-development / Stop self-development	4	5	5	4	6	4.8
Good problem solving skills / Lack of problem solving skills	9	6	7	5	6	6.6
Creative approach / Lack of creative approach	7	7	6	7	4	6.2
Ability to influence others / Inability to influence people	10	5	9	6	5	7
Understanding the features of managerial work / Insufficient understanding of the features of management work	10	9	9	9	10	9.4
Ability to manage / Lack of ability to manage	9	4	4	6	8	6.2
Ability to teach / Inability to teach	7	3	6	4	3	4.6
Ability to organize group work / Low ability to form a team	9	6	5	6	6	6.4

* Created by the author

Thus, the formation and development of success of LLC “ECOZON” on the basis of weak signals provides the enterprise with early storage of flexibility to eliminate hazards in the early stages: the weaker the signal from the external or internal environment is perceived and identified, the more time consuming the enterprise has to accept and accept, action on emerging threats.

One of the tools of regular strategic management is the qualitative strategic analysis matrix, or the SWOT matrix. SWOT-analysis of LLC “ECOZON” was conducted (Table 2.14).

Table 2.14

SWOT-matrix of LLC “ECOZON”

Strengths	Weaknesses
<ol style="list-style-type: none"> 1. Significant work experience. 2. Large range of products. 3. Qualified staff. 4. Effective organizational culture. 	<ol style="list-style-type: none"> 1. Lack of free working capital. 2. Short-term plans for enterprise development (the enterprise develops only annual plans and strategic plans for enterprise development are absent). 3. Impairment of corporate reputation (due to conflicts, poor payment discipline, etc.)
Opportunities	Threats
<ol style="list-style-type: none"> 1. Expanding the product range due to new needs and market demand. 2. Entering new markets or market segments (for example, timber market, entering EU markets). 3. Increase in the number of orders (by 10-15% per year). 4. Additional financial receipts (through borrowing). 5. Training of staff (courses, training courses once a year). 	<ol style="list-style-type: none"> 1. Unstable political and financial and economic situation in the country (due to events in the East of the country, shocks of the banking system, slowdown in economic growth, etc.). 2. Possible refusals of banks to provide loans (due to low performance in the financial statements of the enterprise). 4. Decrease in customer orders (loss of customers, decrease in purchasing power of primary buyers, etc.) 5. Increasing competition in the market (entering new players).

* Developed by the author

It is worth noting that corporate social responsibility for LLC “ECOZON” is a very important tool on the way to sustainable long-term development. It is the desire for sustainable development of LLC “ECOZON” that guides the development of all organizational strategies, examining the impact on all stakeholder groups. During the crisis, LLC “ECOZON” is able to maintain its financial stability, and this was made possible in particular through the implementation of the organization's sustainable

development strategy. Nevertheless, LLC “ECOZON” continues to adhere to the principles of harmonious coexistence, interaction and ongoing dialogue with society.

Thus, the strengths of LLC “ECOZON” include rich experience in the market. In addition, the company has all the necessary production funds needed for sales, as well as qualified personnel with experience in the field. The strengths of the enterprise are also attributed to a sustainable organizational culture that helps to bring together and unite employees, which has a positive impact on both the moral climate of the staff and the efficiency of the enterprise. The weaknesses of LLC “ECOZON” are the lack of free working capital, which can be directed to the development of the enterprise, the lack of strategic plans for the development of the enterprise, as well as the deterioration of the company's reputation.

The potential of LLC “ECOZON” include: the possibility of expanding the product range; sufficiently large development potential in terms of development of new markets or market segments; the image and stable activity of the enterprise has a number of opportunities to improve its operations by increasing the number of orders, using the Internet to promote products and to position the enterprise; increase of capital turnover; further training of personnel. A potential external threat to LLC «ECOZON» may be the worsening of the economic and political situation in the country, the instability of current legislation. Increasing competition both domestically and internationally can be negative factors; banks may refuse to provide loans; reducing the number of buyer orders; deterioration of the company's reputation.

It should also be noted that the study of the internal environment is most often carried out on the basis of the SWOT-approach, but only in part of SW, that is, from the position of the strengths and weaknesses of the organization. So, here is presented deeper analysis of some factors of internal environment of company. What is more, this analysis shows the factors, which are neither strengths nor weaknesses, but neutral sides (Table 2.15).

Table 2.15

SNW-analysis of LLC “ECOZON”

Scope	Factors of internal environment of company	Qualitative assessment of factors		
		S (strengths)	N (neutral sides)	W (weaknesses)
Personnel	Competence of human resources	x		
	HR policy			x
	Motivation of work performance			x
	Employee turnover		x	
	Leadership style		x	
Marketing	Pricing policy	x		
	Market share	x		
	Image and reputation	x		
	The range of services	x		
	General organization		x	
	Trading policy		x	
Organization of general management	The organizational structure		x	
	Information and communication system of the enterprise			x
	The organizational culture and corporate ethics of the enterprise		x	
	Social responsibility			x
	Business planning system	x		
Finances	Financial stability of the corporation		x	
	Control and accounting of costs		x	
	Paying taxes		x	
	The cost of capital		x	
	The level of debt		x	
	Financial dependence		x	
	Profitability		x	

SNW-analysis is a difficult but very useful tool for situational evaluation of any particular position of the company's internal environment. Having analyzed personnel, marketing, organizational and financial scopes of internal environment of LLC “ECOZON” it can be concluded that most of factors are neutral, i.e. not higher or lower than average market characteristics.

Company's strength is highly competitive working force, but company doesn't conduct appropriate actions to keep this people working for company, to provide them with appropriate motivation etc. Company has a good reputation on the market, a bigger market share. Organizational factors of the company also don't represent its strength sides. This all means that current strategy doesn't foresee measures which would change factors with neutral sides into strengths of the company and weaknesses at least into neutral factors (and in future in strengths).

According to the conducted strategic analysis, the development of FEA via enterprise's entry into the wood processing foreign market can be recommended for LLC "ECOZON". In particular, it can be done through the establishment of joint venture, providing the introduction of international principles into the business, opening new prospects for development, allowing the introduction of a new income source, dividing supply, production, sales and marketing functions between partners.

PART 3. RECOMMENDATIONS FOR THE DEVELOPMENT OF STRATEGY ON POLAND MARKET ENTERING BY LLC “ECOZON”

3.1. Analysis of the environment of the wood processing market in Poland

Ukraine and Poland are two major states of Central and Eastern Europe. They are united not only by a common history of many periods, but also by related languages and similar cultural traditions. All this contributes to the establishment of close contacts. The economic development of countries, the natural resources and the structure of the economy open up wide prospects for cooperation and trade. To this must be added a factor that is becoming increasingly important in the global economy – the transit location of both countries on important ways of continental passage of goods.

Another advantage of the Polish market is the similarity of consumer preferences and taste habits of buyers. The peculiarity of remote markets is that different corners of the globe have different taste preferences. On a global scale, Poland is not allocated either in size or population size or economic capacity. But in Europe, its resource potential, economic and political role is quite visible. By European standards, it is among the largest countries in terms of size (almost equal to the size of Germany) and population (slightly inferior to Spain) [85]. But more important is Poland's economic role in Europe.

At this stage of operation, the use of PEST analysis is an effective tool for describing the Polish market. It includes characteristics of the following factors: political, economic, socio-cultural and technological (Table 3.1).

Therefore, based on the results of PEST analysis, it can be said that the Polish environment for the new LLC “ECOZON” activity is attractive enough, stable political position in the country contributes to economic growth, open foreign policy enhances the possibilities of cooperation between Ukraine and Poland.

PEST analysis of the Polish market

Political factors
<ol style="list-style-type: none"> 1. Political stability. 2. Low risk of revolutions, wars, rallies. 3. Investment attractiveness of the country in connection with EU accession. 4. Membership in the Customs Central European Union (CEFTA), NATO, OECD, WTO. 5. Stability and safeguards for enforcement. 6. Active foreign policy is aimed at close relations with Ukraine. 7. Lobbying Ukraine's interests towards accession to the Customs Union with the EU. 8. Low level of corruption
Economic factors
<ol style="list-style-type: none"> 1. Poland is the 20th largest in the world, in 2011 - 757 171 billion dollars. 2. Low inflation (about 3% annually). 3. The average salary is 800 euros. 4. Ability to import cheaper raw materials from Ukraine. 5. In 2010, Poland reduced the minimum capital requirements for entrepreneurs from PLN 50,000 (approximately UAH 320,430) to PLN 5,000 (UAH 32,043). 6. Broad prospects of attracting working capital among local investors for the development of the Polish confectionery industry. 7. Tax benefits, for producers of food products VAT is 8%
Social factors
<ol style="list-style-type: none"> 1. High solvent demand for manufactured products. 2. Updated safety standards. 3. Promoting healthy nutrition among the population, combating obesity. 4. Implementation of comprehensive greening of production in accordance with modern requirements for environmental protection.
Technological and technical factors
<ol style="list-style-type: none"> 1. High quality standards of raw materials and finished confectionery. 2. Automation of the production process. 3. Modernization of production facilities. 4. Development and implementation of resource-saving (energy-saving) technologies.

* Compiled by the author on the basis of [85; 92]

The Polish market of woodworking companies is dominated by products of international companies such as “Wood Mizer Industries”, “GAMEL”, “Derevo”, “Skywood”, “Walter” and their combined market share is 65%. In the minority, products from other Polish brands are represented; the remaining 35% of the market is occupied by small producers [93; 94]. This is graphically represented in Fig. 3.1.

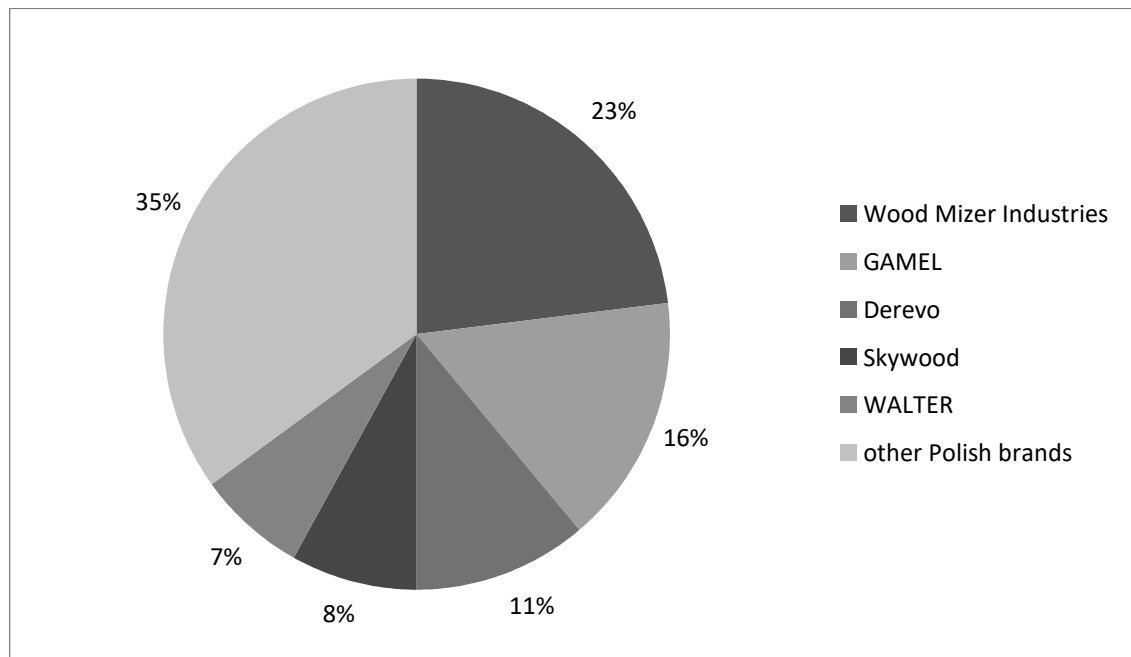


Fig. 3.1. Share of shares between companies in the Polish wood processing market

* Compiled by the author on the basis of [93; 94]

As can be seen in Fig. 3.1, most of the wood products are represented by international manufacturers. Therefore, it is obvious that Polish companies are heavily influenced by multinationals. Therefore, the merger between some companies is being actively discussed to strengthen the credibility of Polish manufacturers. Transnational corporations enter the Polish market simply by acquiring local companies and reorienting them to the production of typical goods from the range of company-conqueror. This destroys the authenticity of the Polish market.

Dynamic sales growth is recorded in the Polish premium market, which means that Polish society is becoming richer. The better the financial position, the greater is the demand for premium goods. Now the Polish people are more willing to buy

expensive items from well-known brands, although recently these goods have occupied a very small niche. Despite the downturn in the economy, a group of consumers has already been formed in Polish society, who will buy high quality goods and remain loyal to the premium brands.

But overall sales of wood products are declining and the main reason for this is that new products are lacking in quality and are not in line with the trends of most consumers. Recently, European manufacturers have focused on eco-products, however, this is not at all what consumers need. Surveys and studies have shown that consumers prefer products that do not contain low amounts of wood or do not contain it at all, and those that have specific properties that contribute to health, have no plastic, etc.

Therefore, in the Polish market there is a fierce competition between manufacturers of traditional products, the brands of which are well known, buyers are already accustomed to them and show loyalty.

Experts classify linoleum according to several parameters:

- according to the main raw materials used in the production of linoleum;
- by the presence or absence of a base;
- according to the internal structure;
- on the texture of the front surface;
- by area of application.

Depending on the main type of raw materials, modern industry produces four types of linoleum – polyvinyl chloride, rubber, colloxylin and alkyd. The most common among them was polyvinyl chloride linoleum.

Polyvinyl chloride (PVC). This type of linoleum consists of: polyvinyl chloride; a synthetic polymer used as a binder; plasticizers; fillers; stabilizers; pigments and dyes; solvents and various technological additives (catalysts, blowing agents, antifoaming agents, flame retardants and antistatic agents). Additives are introduced to facilitate the processing of polyvinyl chloride, increase the thermal stability of the processed mixtures, color and give linoleum special properties: electrical conductivity, increased resistance to pollution, etc.

Alkyd. The main raw materials for the production of this type of linoleum are natural vegetable oils (linseed, cottonseed, sunflower, hemp, soybean). Disadvantages of alkyd linoleum: increased fragility, tendency to breaks and cracks.

Rubber linoleum (repin) is a single-layer or two-layer rolled or tiled material, the upper layer of which consists of colored rubber on synthetic rubbers, and the lower one is a mixture of old crushed rubber and rubber. The thickness of the upper layer is 2 mm. Each of the layers is made separately, followed by duplication on drum presses and simultaneous vulcanization of old rubber. Rubber-rubber coatings reduce the noise level by 12 - 20 dB. The thickness of both single-layer and two-layer coatings is from 2 to 5 mm.

Colloxylin. The main raw materials for the production of this type of linoleum are colloxylin, a product of the treatment of cellulose with a nitrating mixture.

As for the Poland market there is a tendency of linoleum production represented in Fig. 3.2.

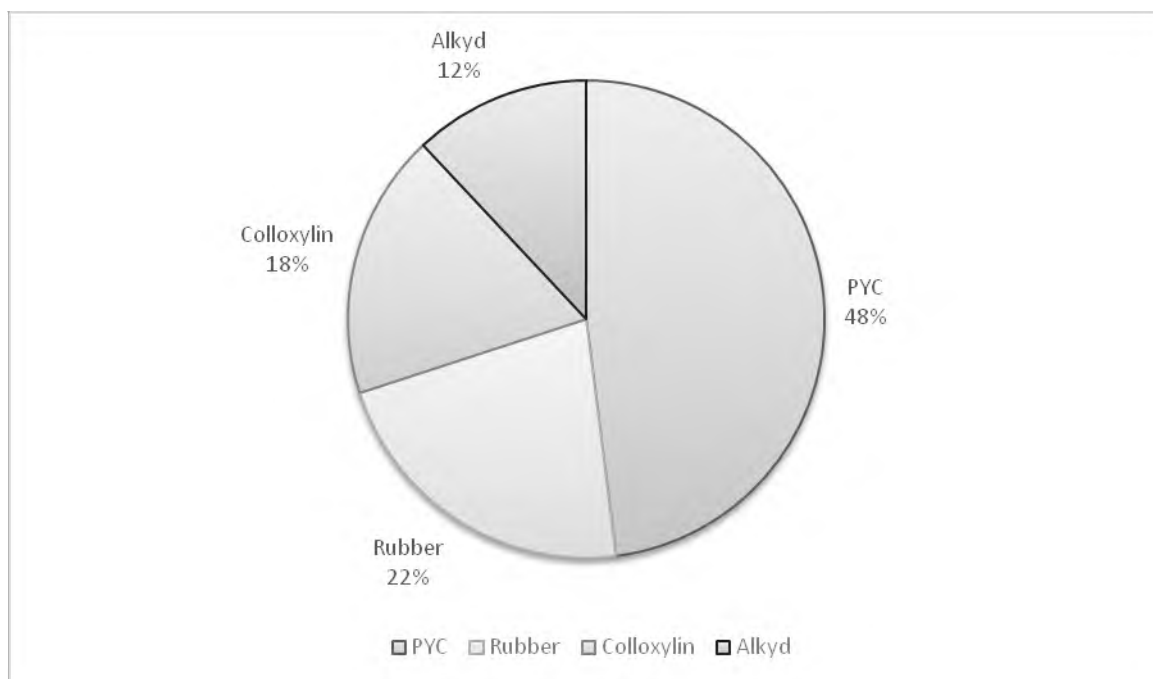


Fig. 3.2. Structure of the floor covering production in Poland

* Compiled by the author on the basis of [93; 94]

As can be seen on Fig. 3.2, the most common floor covering is made on synthetic components, but still this is the less expensive method of production and it gives the opportunity to product more variants of pattern and colors.

According to the European Association of SUVs, in the total volume of the European flooring market, natural linoleum accounts for about 2% (in physical terms), and the share of PVC coatings is 13.5% [43]. Experts note that in the past few years there has been a trend to reduce the consumption of PVC linoleum, since this type of coating is gradually being replaced by ceramic tiles and textile coatings. In Poland, such a trend has not yet been observed, but some market operators believe that in 5-10 years, the sales of linoleum will begin to decline in our country.

The sales ratio on the domestic flooring market looks something like this: PVC coatings – more than 60%, ceramic tiles – about 5%, parquet – about 10%, textile coatings – about 20%, laminate – 5% (in physical terms) (Fig. 3.3).

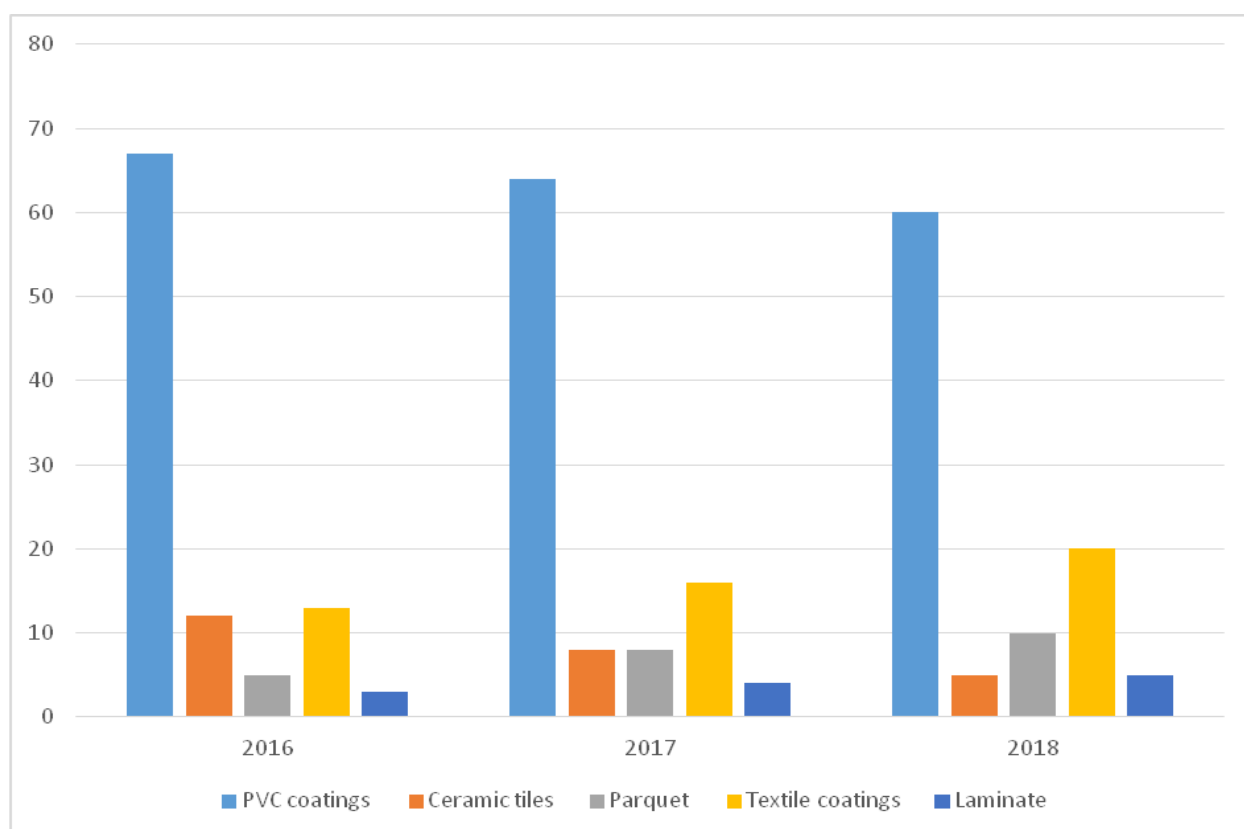


Fig. 3.3. Structure of Poland floor covering market in 2016-2018

* Compiled by the author on the basis of [64; 94]

While considering the Polish linoleum market, household products account for about 70% of total sales (in physical terms), commercial – about 20% and semi-commercial – 10%. According to the observations of large operators, such a market structure has been maintained for several years, with a slight annual increase in the share of commercial linoleum.

3.2. Developing the strategy of entering the foreign market

As the company LLC “ECOZON” is unknown on European market, it is better for it to start entering the foreign market of Poland by using the strategy of joint ventures.

Creating a joint venture will have unique benefits that will help LLC “ECOZON” achieve better results and expand its operations in international markets, as very often each party does not have all the necessary knowledge, resources and/or finances individually to be successful in implementing the project on its own. Combining with another business will give each party access to the other's resources without having to spend too much capital to get them.

The main advantages of establishing a joint venture for LLC “ECOZON” are:

1. Exchange of assets. Creating a joint venture will allow LLC “ECOZON” and its future partner to share their tangible and intangible assets in pursuit of a common goal.

That is, setting up a joint venture with another business will give each party access to the other party's available resources without having to spend an excess amount of capital to get the right opportunities. For example, a company has flooring technology, and its joint venture partner must create, and ultimately distribute, a new product. Common an enterprise between the two companies will give the partner access to the equipment without the need to buy it, while LLC “ECOZON” will participate in the production of the product without spending money on marketing activities and finding outlets for sales of products abroad.

2. Risk sharing. Creating a joint venture will also provide an important benefit for LLC “ECOZON”, which will be to share risks between the participating companies. Since the management of the company is very reluctant to take risks and are not able to manage this risk on their own, within the joint venture, each company will contribute some of the resources needed to bring the product to market, which will alleviate the financial burden for the company, as the costs involved with the project, distributed among the participants of the joint venture.

3. Access to new markets. One of the major benefits of setting up a joint venture for LLC “ECOZON” is that partner company will give access to new, highly developed markets that otherwise the company could not individually obtain. Parties may also pool their access to suppliers or customers.

4. Diversification. Another key reason for LLC “ECOZON” to join joint ventures is diversification of its own business. Diversification will help reduce business risk for its products or services. Diversification also has the potential to improve participants' cash flow and profitability joint activities.

5. Increasing authority in the international market. Because the company is not a well known and not yet reputable company in international circles, so forming a joint venture with a large, well-known brand can give our company more confidence and increase the trust of potential customers.

6. Shorter training periods. The formation of knowledge and experience required to work in key target markets is both time-consuming and expensive. Collaborating with a business that has specific experience in target market entry may allow joint venture members to reduce the time it will take to conduct relevant market research.

7. Reduced production costs. LLC “ECOZON” can use a joint venture to reduce the ongoing costs associated with manufacturing products while maintaining some control over the quality of the process and the use of technology in the manufacturing process.

The main advantages of Joint venture for LLC “ECOZON” are represented in Fig. 3.4.

Exchange of assets

- share tangible and intangible assets in pursuit of a common goal of EKOZON

Risk sharing of EKOZON

- Share risks between the participants

Access of EKOZON to new markets

- The main reason for strategy in international scale

Diversification of EKOZON

- reduce risks
- improve cash flows and profitability

Reduce costs of EKOZON

- Reduce production costs of LLC EKOZON

Fig. 3.4. Advantages of joint venture creation for LLC “ECOZON”

* Developed by the author

As for the potential Polish partner it will be better for LLC “ECOZON” to take the “Walter” company. LLC “Walter” is a floor covering construction company acting on the market of Poland. It has only 7% of market share in Poland. For common business it is the ideal partner, as it still needs to be developed.

Joint ventures are separate companies created by two or more enterprises in which the degree of responsibility and risk is shared between owners. LLC “ECOZON” may create a joint venture with one of the players in the target foreign market in order to gain access to resources, knowledge, contacts or technologies. In this case, the company shares the risks with its partner, but also shares the future income from activities in the industry.

The main advantage of the joint venture is gaining access to certain market knowledge and technologies. This can be a partner’s distribution network, his knowledge of the specifics of the market, his production base, patents and technologies.

A joint venture is cheaper than acquiring an entire company and allows you to circumvent many entry barriers in highly competitive markets. The disadvantages of such a strategy for entering foreign markets are still the high cost (in comparison with the methods described above) and the risk of managerial conflicts in connection with the different priorities of your company and partner company.

LLC “Walter” is a polish construction company to a floor and cutting linoleum, created in 2002.

From the first days of work of the company in the relations with clients the partnership individual approach, flexible pricing policy with possibility of delay of payments, the maximum consideration of wishes of customers were applied. Since its foundation LLC “Walter” has been staffed by experienced people who have long established themselves as professionals and experts in their field.

The analysis of financial condition is based on financial reporting and accounting data, on the calculation and comparison of a significant number of indicators and coefficients.

The analytical balance of LLC “Walter” is represented in Table 3.1.

Table 3.1

Analytical balance of LLC “Walter” for 2016-2018

Indicators	2016		2017		2018		Deviation 2018 / 2016	
	ths. UAH	%	ths. UAH	%	ths. UAH	%	ths. UAH	%
Assets								
Non-current assets	27058	4,93	26520	4,59	32650	5,37	5592	0,44
Current assets	152032	27,68	165300	28,61	172500	28,35	20468	0,67
- stocks	25013	4,55	28450	4,92	31520	5,18	6507	0,63

Table 3.1 continuation

Indicators	2016		2017		2018		Deviation 2018 / 2016	
	ths. UAH	%	ths. UAH	%	ths. UAH	%	ths. UAH	%
- receivables	8520	1,55	5620	0,97	5780	0,95	-2740	-0,60
- cash	110020	20,03	115030	19,91	121520	19,97	11500	-0,06
- other current assets	120	0,02	230	0,04	320	0,05	200	0,03
Other assets	270	0,05	260	0,04	170	0,03	-100	-0,02
Equity	148250	26,99	152300	26,36	155620	25,57	7370	-1,42
Current liabilities	35200	6,41	39560	6,85	42170	6,93	6970	0,52
Short-term bank credits	12000	2,18	9560	1,65	4520	0,74	-7480	-1,44
Payables	29520	5,37	32600	5,64	37520	6,17	8000	0,79
Other current commitments	1220	0,22	2360	0,41	4200	0,69	2980	0,47
Balance	549223	100	577790	100	608490	100	59267	0,00

* Retrieved from [93]

So, LLC “Walter” can be a good partner for the LLC “ECOZON” for creating a joint venture. Thus, they will help each other to conduct the business, they create an operating structure with interdependent relationships, separation of control and management.

The process of preparing for the joint venture creation by LLC “ECOZON” and LLC “Walter” should include:

- definition of a strategic goal (reorientation from the analysis of past activities to the expectation of future results, taking into account the advantages of a successful business, long-term perspective and goal that justifies personal efforts and returns);
- development of a common goal (assessment of the consistency of the strategic goals of partners, forming a business plan);
- creation of project working groups for carrying out negotiations between LLC “ECOZON” and LLC “Walter”;
- communication on joint intentions of partners;
- mandatory support of majority shareholders;
- development of a project implementation plan;
- development of market entry strategy and directions of its implementation.

The creation of a joint venture will minimize the risks of loss of investments, as well as use competitive advantages in production, marketing, marketing, and partner management technologies of LLC “ECOZON” and LLC “Walter”. The benefits usually outweigh the disadvantages, as evidenced by the increase in the number of international joint ventures.

3.3. Economic justification of creating joint venture

After the reasons highlighted out in p. 3.2 the joint venture for LLC “ECOZON” with LLC “Walter” for entering the market of Poland can be the best way to enter foreign market.

So, the LLC “Walter”, that has the experience of sales on the market of Poland will take care of sales itself, promoting and marketing of the goods, while LLC “ECOZON” will take care of production and delivering the goods to Poland.

Using the statistics information and the world experience of other companies the investment plan for the joint venture was developed, represented in Table 3.2.

Table 3.2

Investment plan for creating joint venture by LLC “ECOZON” and LLC “Walter”,
ths. UAH

Indicator	Years						
	1	2	3	4	5	6	7
Investment	58000	30000	30000	30000	30000	30000	208000
Income		15000	35000	45000	55000	60000	210000
Discounted coefficient (4%)		0.9615	0.9246	0.8890	0.8548	0.8219	
Discounted investment		28846.15	27736.6	26669.8	25644.13	24657.8	133554
Discounted income		14423.08	32359.4	40004.8	47014.23	49315.6	183117

All the calculations are made in UAH currency and the discounting rate is 4%.

The graphical dynamics of forecasted indicators is shown in Fig. 3.5.

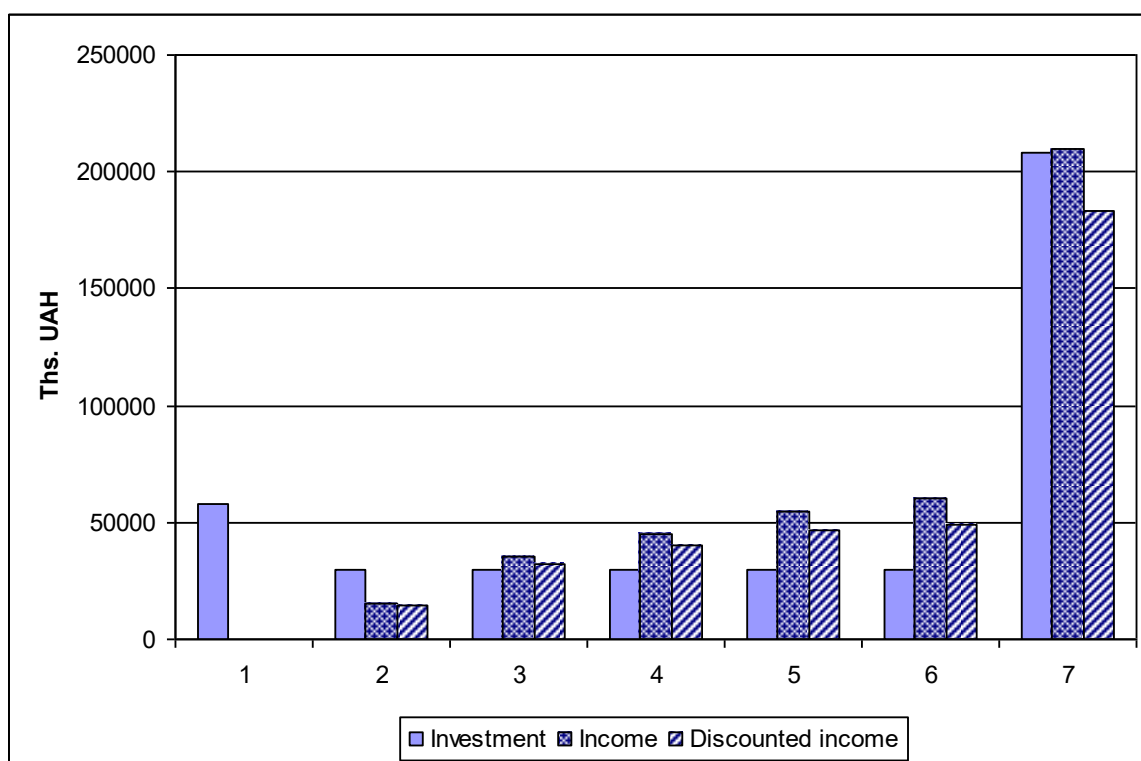


Fig. 3.5. Dynamics of forecasted indicator for creating joint venture by LLC “ECOZON” and LLC “Walter” by years

* Developed by the author

The results of assessment of present value, net present value and payback period are represented in Table 3.3.

Table 3.3

Results of investment calculations for creating joint venture by LLC “ECOZON” and LLC “Walter”

Indicator	Value
Present Value, thousand UAH	183,117.24
Net Present Value, thousand UAH	125,117.24
Profitability Index	3.16
Payback Period	1.01

* Calculated by the author

According to the calculations represented in Table 3.2 the present value of the creation of joint venture with LLC “Walter” will be 183,117.24 thousand UAH, while the net present value will be 125,117.24 thousand UAH. The profitability index is 3.16 and the payback period of this plan is a little more than 1 year.

After that it can be concluded that it’s profitable to establish the joint venture with LLC “Walter” and to enter the Polish market by the LLC “ECOZON”.

Thus, partnership with Polish company LLC “Walter” will provide the introduction of international principles into the business, will open new prospects for development, allow the introduction of a new income source, will divide supply, production, sales and marketing functions between partners to ensure revenue growth.

CONCLUSIONS

In the result of conducted research it was identified that foreign economic activity is a system of international economic relations that arise between economic entities of the countries of the world as a result of production, exchange and consumption of goods, services and ideas in the conditions of boundless needs, scarcity of resources and, as a result of going beyond national economies.

It was outlined that modern orientation of foreign economic activity involves conducting market research of a strategic nature, which must prepare the necessary information for strategic planning at the enterprise level and making strategic decisions.

There are four main business models to expand your business abroad (exporting, licensing, joint ventures, foreign direct investment) and one brand new model that people are still trying to understand (hybrid strategy). Each of these business models has pros and cons. Therefore, there isn't a right or wrong way to expand business abroad. However, one has to pick the right entry strategy that will work for business. The strategy chosen by an organization will depend on its level of experience in international business and its appetite for risk. One market entry strategy may evolve into another, or companies can try to blend these market entry strategies together.

By evaluating the environment of LLC “ECOZON”, it can be stated that it has a significant number of strengths and opportunities, which can obscure weaknesses and eliminate threats to its functioning. At present, LLC “ECOZON” is in the strategic field of Weaknesses – Opportunities.

It was determined that LLC “ECOZON” operates in the construction sphere of Ukraine. The organizational and functional structure of LLC “ECOZON” consists of separate departments, each of which fulfills its functional duties and spends the resources of the enterprise on its needs. LLC “ECOZON” creates statutory, reserve (insurance) funds and, if necessary, other funds. The composition, purpose, size, sources of creation and order of use of funds are determined by the members of the

company in accordance with the current legislation of Ukraine and the Charter. Funds are at the disposal of the company.

It was analyzed that during 2016-2018 there was an increase in the assets of the enterprise by UAH 11715 thousand or by 10.23%, which was due to the increase of non-current assets by UAH 6957 thousand or by 36.51%, current assets by UAH 4809 thousand or 36.51%. Also during 2016-2018, we observe an increase in the liabilities of LLC “ECOZON” due to the increase of the company's own capital by UAH 6897 thousand or by 7.47% and attracted capital by UAH 4818 thousand or by 21.67%. The increase in the balance sheet of LLC “ECOZON” indicates an increase in the enterprise's trading capabilities and an increase in demand for products. It is worth noting that during 2016-2018 there was a decrease in the level of efficiency of financial and economic activity of the enterprise, which is associated with a decrease in the net profit of LLC “ECOZON”.

It is substantiated that the policy of increasing the efficiency of LLC “ECOZON” should be aimed at maximizing the size of a positive financial result by performing a set of tasks to ensure the growth of its activities, efficient cost management, improving the use of material and technical facilities, optimizing the composition and structure of working capital, improving productivity and management system of the entity.

Development of foreign economic activity by LLC “ECOZON” through entering the markets of neighboring countries was set as the possible direction of development of the enterprise activity, mainly through establishing joint venture. Polish wood processing market was determined as the perspective one for entry and development by LLC “ECOZON”. It was studied that in the Polish market there is a fierce competition between manufacturers of traditional products, the brands of which are well known, buyers are already accustomed to them and show loyalty. Hence, it would be better to partner with Polish company rather than to enter this market on their own.

The main advantages of establishing a joint venture for LLC “ECOZON” with LLC “Walter” were identified and analyzed, among them: exchange of assets, risk

sharing, access to new markets, diversification, increasing authority in the international market, shorter training periods and reduced production costs. LLC “Walter” that has the experience of sales on the market of Poland will take care of sales itself, promoting and marketing of the goods, while LLC “ECOZON” will take care of production and delivering the goods to Poland.

It was justified that it will be feasible to establish a joint venture for LLC “ECOZON” with LLC “Walter”. Present value of the creation of joint venture with LLC “Walter” will be 183,117.24 thousand UAH, while the net present value will be 125,117.24 thousand UAH. The profitability index will be 3.16 and the payback period of this plan is a little more than 1 year.

It was concluded that the creation of a joint venture will minimize the risks of loss of investments, as well as use competitive advantages in production, marketing, marketing, and partner management technologies of LLC “ECOZON” and LLC “Walter” ensuring effectiveness of foreign market entry.

REFERENCES

1. Конституція України: Закон України від 28.06.1996 № 254к/96-ВР // Відомості Верховної Ради України (ВВР), 1996, № 30, ст. 141 [Електронний ресурс]. – Режим доступу: <http://zakon5.rada.gov.ua/laws/show/254к/96-вр>
2. Господарський кодекс України від 16.01.2003 № 436-IV // Відомості Верховної Ради України (ВВР), 2003, № 18, № 19-20, № 21-22, ст. 144 [Електронний ресурс]. – Режим доступу: <http://zakon0.rada.gov.ua/laws/show/436-15>
3. Податковий кодекс України від 02.12.2012 № 2755-VI // Відомості Верховної Ради України (ВВР). 2013. – № 13-14, № 15-16, № 17 [Електронний ресурс]. – Режим доступу: <http://zakon0.rada.gov.ua/laws/show/2755-17>
4. Про господарські товариства: Закон України від 19.09.1991 № 1576-XII // Відомості Верховної Ради України (ВВР), 1991, N 49, ст.682 [Електронний ресурс]. – Режим доступу: <http://zakon5.rada.gov.ua/laws/show/1576-12>
5. Про інноваційну діяльність: Закон України від 04.07.2002 № 40-IV // Відомості Верховної Ради України (ВВР), 2002, N 36, ст. 266 [Електронний ресурс]. – Режим доступу: <http://zakon0.rada.gov.ua/laws/show/40-15>
6. Про зовнішньоекономічну діяльність: Закон України від 16.04.1991 № 959-XII // Відомості Верховної Ради УРСР (ВВР), 1991, N 29, ст. 377 [Електронний ресурс]. – Режим доступу: <http://zakon3.rada.gov.ua/laws/show/959-12>
7. Азаренков Г.Ф. Методичні підходи до управління промисловим підприємством на засадах логістики / Г.Ф. Азаренков, І.П. Дзьобко // Економічний нобелівський вісник. – 2015. – № 1 (8). – С. 3-9.
8. Ансофф И. Стратегический менеджмент / И. Ансофф. – СПб: Питер, 2009. – 344 с.
9. Ансофф И. Новая корпоративная стратегия / И. Ансофф – СПб: Изд-во «Питер», 1999. – 416 с.
10. Балабанова Л.В. Маркетинг: підручник / Л.В. Балабанова. – [2-ге вид., перероб. і допов.]. – К.: ЦУЛ, 2010. – 512 с.

11. Баула О.В. Особливості формування стратегії зовнішньоекономічної діяльності підприємства в сучасному глобалізаційному просторі / О.В.Баула, А.В. Сачук // Економічні науки. – 2013. – № 10. – С.64 -68.

12. Бердникова Л.Ф. К вопросу снижения рисков инвестиционно-инновационной деятельности организации / Л.Ф. Бердникова // Азимут научных исследований: экономика и управление. – 2013. – № 4. – С. 11-13.

13. Боярська М.О. Аналіз стратегії розвитку підприємства / М.О. Боярська // Глобальні та національні проблеми економіки. – 2015. – №5. – С. 306-310.

14. Виханский О.С. Менеджмент: учебник / О.С. Виханский, А.И. Наумов. – [5-е изд. стереотип.]. – М.: Магистр: ИНФРА-М, 2014. – 576 с.

15. Гнедіна К.В. Економічна сутність поняття «стратегія» / К.В. Гнедіна // Формування ринкових відносин в Україні. – 2012. – №6(133). – С. 233-237.

16. Горбаченко С. Стратегія розвитку підприємства: поняття та сутність / С. Горбаченко, К. Моїсеєнко // Науковий вісник Одеського національного економічного університету. – 2016. – № 10. – С. 31-44.

17. Горлачук В.В. Економічний аналіз господарської діяльності підприємства: навч. посіб. / В. В. Горлачук, О. Ю. Коваленко, С. М. Белінська. – Миколаїв: ЧДУ ім. Петра Могили, 2013. – 308 с.

18. Гринчук В.Г. Підвищення ефективності функціонування підприємств на принципах сучасного менеджменту / В.Г. Гринчук, В.Г. Чернишев, Г.К. Рябая // Наукові праці Кіровоградського національного технічного університету. Економічні науки. – 2010. – Вип. 17. – С. 108-112.

19. Гуржій Н.М. Особливості сучасних підходів до стратегічного управління розвитком підприємства / Н.М. Гуржій, А.Ю. Колтунік // Економіка та управління підприємствами. – 2016. – №14. – С. 344-347.

20. Гуткевич С.О. Міжнародний менеджмент: підручник / С.О. Гуткевич, Г. В. Дмитренко, І.Г. Оніщенко, Ю.М. Сафонов; за ред. С.О. Гуткевич. – К.: Кафедра, 2015. – 535 с.

21. Дименко Р. Критерії та показники оцінки ефективності конкурентних стратегій [Електронний ресурс] / Р. Дименко. – Режим доступу: <http://ena.lp.edu.ua/bitstream/ntb/9011/1/29.pdf>

22. Дідик С.М. Переваги та недоліки стратегії стабілізації як інструменту стратегічного управління підприємством [Електронний ресурс] / С.М. Дідик. – Режим доступу: http://www.confcontact.com/2016-ekonomika-i-menedzhment/2_didik.htm

23. Довгань Л.Є. Стратегічне управління: навч. посіб. / Л.Є. Довгань, Ю.В. Каракай, Л.П. Артеменко. – [2-е вид.]. – К.: Центр учбової літератури, 2011. – 440 с.

24. Драбик І. Критерії класифікації. Види стратегії розвитку підприємства на закордонних ринках [Електронний ресурс] / І. Драбик. – Режим доступу: <https://vlp.com.ua/node/6788>

25. Економічний аналіз: навч. посіб. / [Н.А. Волкова, Р.М. Волчек, О.М. Гайдаєнко та ін.; за ред. Н.А. Волкової]. – Одеса: ОНЕУ, ротапринт, 2015. – 310 с.

26. Загородній А.Г. Зовнішньоекономічна діяльність: термінологічний словник / А.Г. Загородній, Г.Л. Вознюк. – К.: Кондор, 2017. – 168 с.

27. Зовнішньоекономічна діяльність та митна справа: збірник нормативних актів / Упорядник М.І. Камлик. – К: Атака, 2014. – 680 с.

28. Кіндрацька Г.І. Стратегічний менеджмент: навч. посіб. / Г.І. Кіндрацька. – [2-ге вид., перероб. і доп.]. – К.: Знання, 2010. – 406 с.

29. Коваленко О.В. Стратегія діяльності підприємства як генеральна програма розвитку / О.В. Коваленко, В.І. Калита // Проблеми системного підходу в економіці. – 2016. – Вип. 54. – С. 35-39.

30. Ковальова М.Л. Теоретико-методологічні аспекти формування поняття "стратегія розвитку" у контексті промислового підприємства / М. Л. Ковальова, О. В. Бобир // Менеджер. – 2016. – № 4. – С. 83-90.

31. Ковтун Е.О Фактори впливу на формування стратегії підприємства при виході на зовнішні ринки / Е. О. Ковтун, Є. С. Денисевич, Д. Є. Зайцева // Молодий вчений. – 2017. – №4 (44). – Ч. V. – С. 669-673.

32. Кузьмін О.Є. Стратегічна діяльність підприємств: технології планування та побудова карт: [монографія] / О.Є. Кузьмін, Н.Я. Петришина, К.О. Дорошкевич. – Л.: Міські інформаційні системи, 2011. – 320 с.

33. Курилова А.А. Учёт риска и неопределённости при оценке эффективности инвестиционных проектов / А.А. Курилова, Т.В. Полтева // Карельский научный журнал. – 2016. – №4(17). – С. 181-184.

34. Липчук В.В. Маркетинг: навч. посіб. / В.В. Липчук, Р. П. Дудяк, С. Я. Бугіль, Я.С. Янишин. – Л.: „Магнолія 2006”, 2012. – 456 с.

35. Литвак Б.Г. Стратегический менеджмент: учебник для бакалавров / Б. Г. Литвак. – М.: Издательство Юрайт, 2013. – 507 с.

36. Ліпич Л.Г. Стратегії виходу підприємств на зовнішні ринки / Л.Г. Ліпич, А.О. Фатенок-Ткачук // Кримський науковий центр НАН України і МОН України «Культура народів Причорномор'я». – 2011. – С. 146-151.

37. Маркетинговий менеджмент конкурентоспроможності підприємства: стратегічний підхід та системні рішення: [монографія] / Кендюхов О. В. [та ін.]; [за заг. ред. О. В. Кендюхова]. – Донецьк: Східний видавничий дім, 2014. – 201 с.

38. Мостенська Т.Л. Менеджмент: підручник / Т.Л. Мостенська, В.О. Новак, М.Г. Луцький, О.В. Ільєнко. – [2-ге вид.]. – К.: Кондор-видавництво, 2012. – 758 с.

39. Новак В.О. Зовнішньоекономічна діяльність підприємства / В.О. Новак, Т.Л. Мостенська, Г.С. Гуріна, О.В. Ільєнко. – К.: Кондор, 2012. – 552 с.

40. Огороднішук О.Є. Визначення критеріїв при виборі зарубіжних регіональних ринків [Електронний ресурс]/ О.Є. Огороднішук, С.О. Солнцев. – Режим доступу: http://probl-economy.kpi.ua/pdf/2011_18.pdf

41. Островська Г.Й. Фінансовий менеджмент: підручник / Г.Й. Островська. – Тернопіль: Підруч. і посібн., 2017. – 507 с.

42. Офіційний сайт Держжостату України [Електронний ресурс]. – Режим доступу: <https://ukrstat.gov.ua/>

43. Офіційний сайт ЄС [Електронний ресурс]. – Режим доступу: https://europa.eu/european-union/index_en

44. Офіційний сайт ТОВ «ЕКОZON» [Електронний ресурс]. – Режим доступу: <http://ekozon.com.ua/index.php>

45. Паланюк Н.А. Економічний аналіз: навч. посіб. / Н.А. Паланюк, В.Г. Петренко. – К.: Аграрна освіта, 2010. – 252 с.

46. Підприємництво і менеджмент: навч. посіб. / О.Є. Кузьмін, С.Б. Романишин, О. О. Пшик-Ковальська, І. С. Процик, Р. Б. Вільгуцька. – Львів: Растр-7, 2017. – 194 с.

47. Пономарева И.В. К вопросу о механизме привлечения инвестиций во внешнеторговые операции / И.В. Пономарева // Азимут научных исследований: экономика и управление. – 2014. – № 3. – С. 80-83.

48. Попов С.А. Стратегический менеджмент: актуальный курс: учебник для бакалавриата и магистратуры / С.А. Попов. – М.: Издательство Юрайт, 2018. – 463 с.

49. Портер М.Е. Конкурентная стратегия: Методика анализа отраслей и конкурентов / М.Е. Портер; пер. с англ. – М.: Альпина Бизнес Букс, 2005. – 454 с.

50. Порядок створення спільних підприємств [Електронний ресурс]. – Режим доступу: <http://ukr.vipreshebnik.ru/entsiklopediya/61-p/3743-poryadok-stvorenniya-spilnikh-pidpriemstv-sp.html>

51. Рум'янцев А.П. Зовнішньоекономічна діяльність: навч. посіб. / А.П. Рум'янцев, Н.С. Рум'янцева. – К.: ЦУЛ, 2014. – 377 с.

52. Стратегічний аналіз: навч. посіб. для студентів ВНЗ усіх спец. / О.В. Кочетков, О.М. Кобилкін, С.В. Кобилкіна, Ю.Г. Бережна, Н.В. Марков, А.М. Брагінець; за ред. О.В. Кочеткова. – [3-тє вид., випр.]. – К.: Кондор, 2017. – 411 с.

53. Сухорська У.К. Маркетингові стратегії розвитку підприємства: сутність, значення, класифікація / У.К. Сухорська // Науковий вісн.: зб. науково-технічних праць. – Львів: Український державний лісотехнічний університет, 2012. – № 12.8. – С. 259-263.

54. Томпсон А.А. Стратегический менеджмент. Искусство разработки и реализации стратегии [Електронний ресурс] / А.А. Томпсон, А.Дж. Стрикленд. – Режим доступу: <https://www.twirpx.com/file/87978/>

55. Тригобюк С.С. Оцінювання стратегічного планування діяльності підприємств [Електронний ресурс] / С.С. Тригобюк, О.І. Тревого. – Режим доступу: <http://ena.lp.edu.ua/bitstream/ntb/16586/1/336-573-574.pdf>

56. Управление организацией: учебник / Г.Л. Азоев [и др.]; под ред. А.Г. Поршнева, Н.А. Саломатина. – [4-е изд., перераб. и доп.]. – М.: Инфра-М, 2014. – 735 с.

57. Хацер М.В. Стратегія розвитку підприємства в умовах нестабільності економіки держави / М.В. Хацер // Збірник наукових праць Таврійського державного агротехнологічного університету (економічні науки). – 2014. – №3(27). – С. 109-112.

58. Хрупович С.Є. Зовнішньоекономічна діяльність підприємства: навч. посіб. / С.Є. Хрупович. – Тернопіль, 2017. – 137 с.

59. Цамутали С.А. Оценка рисков реальных инвестиций / С.А. Цамутали // Экономика. Налоги. Право. – 2013. – №4. – С. 32-37.

60. Шнайдер В.В. Влияние инвестиций на экономическое развитие хозяйствующего субъекта / В.В. Шнайдер, Р.Р. Атаулов // Азимут научных исследований: экономика и управление. – 2013. – № 4. – С. 41-44.

61. Agwu M.E. Effects of international marketing. – environments on entrepreneurship development [Electronic resource] / M.E. Agwu, H.N. Onwuegbuzie // Journal of Innovation and Entrepreneurship. – 2018. – №7(12). – Mode of access: <https://doi.org/10.1186/s13731-018-0093-4>

62. Barnett W. Four Steps to Forecast Total Market Demand [Electronic resource] / W. Barnett // Harvard Business Publishing. – Mode of access: <https://hbr.org/1988/07/four-steps-to-forecast-total-market-demand>

63. Environmental Factors for International Marketing (2018) [Electronic resource] // Essays, UK. – Mode of access: <https://www.ukessays.com/essays/marketing/environmental-factors-for-international-marketing.php?vref=1>

64. Floor Covering. Poland 2020 [Electronic resource] // Statista. – Mode of access: <https://www.statista.com/outlook/17070000/146/floor-covering/poland#market-global>
Revenue

65. Formulate a winning business strategy, business model, strategic framework [Electronic resource]. – Mode of access: <https://www.business-case-analysis.com/business-strategy.html>

66. Guzek E. Ways of entering the Polish market by foreign companies [Electronic resource] / E. Guzek. – Mode of access: <https://www.sciencedirect.com/science/article/abs/pii/S014829639290049H>

67. How to enter a foreign market [Electronic resource] // Workspace Group PLC. – Mode of access: <https://www.workspace.co.uk/community/homework/growth-and-strategy/how-to-enter-a-foreign-market>

68. International Business Strategy [Electronic resource] // Business to you. – Mode of access: <https://www.business-to-you.com/international-business-strategy/>

69. International Business Strategies in a Globalizing World [Electronic resource] // Norwich University Online. – Mode of access: <https://online.norwich.edu/academic-programs/resources/international-business-strategies-globalizing-world>

70. International marketing / Ed. by Y. Kozak, S. Smyczek – Kyiv-Katowice: CUL, 2015. – 279 p.

71. International Marketing Environment [Electronic resource] // Rique and Sumeet. – Mode of access: <https://globalmarketingprofessor.com/international-marketing-environment/>

72. Jeewa N. 8 Strategies to Enter a New Foreign Market [Electronic resource] / N. Jeewa. – Mode of access: <https://www.bubbletranslation.com/8-strategies-to-enter-a-new-foreign-market/>

73. Joint venture for construction [Electronic resource]. – Mode of access: https://www.designingbuildings.co.uk/wiki/Joint_venture_for_construction

74. Joint ventures and partnering [Electronic resource] // Chamber of Commerce of Metropolitan Montreal. – Mode of access: <https://www.infoentrepreneurs.org/en/guides/joint-ventures-and-partnering/>

75. Joly G. Types of International Strategies [Electronic resource] // G. Joly. – Mode of access: <https://opentextbc.ca/strategicmanagement/chapter/types-of-international-strategies/>

76. Kockmuller N. Differentiated business strategies [Electronic resource] / N. Kockmuller. – Mode of access: <https://smallbusiness.chron.com/differentiated-business-strategies-20638.html>

77. Lacombe T. The Effects of the Foreign Marketing Environment on Marketing Operations [Electronic resource] / T. Lacombe // Hearst Newspapers. – Mode of access: <https://smallbusiness.chron.com/effects-foreign-marketing-environment-marketing-operations-25153.html>

78. Liabotis B. Three strategies for achieving and sustaining growth [Electronic resource] / B. Liabotis. – Mode of access: <https://iveybusinessjournal.com/publication/three-strategies-for-achieving-and-sustaining-growth/>

79. Market entry strategies [Electronic resource] // TradeStart.ca. – Mode of access: <http://www.tradestart.ca/market-entry-strategies>

80. Marzec E. How to evaluate business strategies [Electronic resource] / E. Marzec. – Mode of access: <https://bizfluent.com/how-6022589-evaluate-business-strategies.html>

81. McDonald J. 6 steps to create an effective business strategy [Electronic resource] / J. McDonald. – Mode of access: <https://www.business2community.com/strategy/6-steps-create-effective-business-strategy-01391113>

82. Michalski E. Foreign Market Entry Strategy / E. Michalski // Scientiarum Polonorum. Oeconomia. – 2015. – № 14. – P. 107-116.

83. Perfect Market Entry Strategies to Enter International Markets [Electronic resource] // Infiniti Research. – Mode of access: <https://www.businesswire.com/news/home/20180410005826/en/Perfect-Market-Entry-Strategies-Enter-International-Markets>

84. Poland – Joint Ventures and Licensing [Electronic resource]. – Mode of access: <https://www.export.gov/article?id=Poland-Joint-Ventures-and-Licensing>

85. Poland – Market Entry Strategy [Electronic resource]. – Mode of access: <https://www.export.gov/article?id=Poland-Market-Entry-Strategy>

86. Prachi J. Strategy Evaluation Process and its Significance [Electronic resource] / J. Prachi. – Mode of access: <https://www.managementstudyguide.com/strategy-evaluation.htm>

87. Ruhl K. J. The Ownership-Location-Internalization Framework / K.J. Ruhl // PennState. – 2016. – P 1-3

88. Shaw K. Foreign Market Entry Strategies / K. Shaw // China-USA Business Review. – 2015. – № 8. – P. 395-398.

89. Tilles S. How to Evaluate Corporate Strategy [Electronic resource] / S. Tilles. – Mode of access: <https://hbr.org/1963/07/how-to-evaluate-corporate-strategy>

90. Verbeke A. International Business Strategy / A. Verbeke. – UK: Cambridge University Press, 2013. – 611 p.

91. What is a Joint Venture and How Does It Work? [Electronic resource] // The Balance Small Business. – Mode of access: <https://www.thebalancesmb.com/what-is-a-joint-venture-and-how-does-it-work-397540>

92. Why Expand to Poland? [Electronic resource] // Startup Overseas. – Mode of access: <https://www.startupoverseas.co.uk/expanding-a-business-in-poland/entering-the-market.html>

93. Wood Companies from Poland [Electronic resource]. – Mode of access: <https://www.fordaq.com/dir/companies-from-poland?cs=184>

94. Woodworking – Poland [Electronic resource]. – Mode of access: <https://www.europages.co.uk/companies/Poland/woodworking.html>