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PROBLEMS OF DIVERSIFICATION THE BUSINESS STRUCTURES ACTIVITIES IN THE CONDITIONS OF ECONOMY INTELLECTUALIZATION

ПРОБЛЕМИ ДИВЕРСИФІКАЦІЇ ДІЯЛЬНОСТІ БІЗНЕС-СТРУКТУР В УМОВАХ ІНТЕЛЕКТУАЛІЗАЦІЇ ЕКОНОМІКИ

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Ковтуненко Ю.В. Проблеми диверсифікації діяльності бізнес-структур в умовах інтелектуалізації економіки. Науково-методична стаття.

У статті наводяться визначення різноманітними науковцями дефініцій «диверсифікація» й «диверсифікаційний процес». Було узагальнено визначення диверсифікації на підставі підходів, які були розглянуто. Визначено сутність диверсифікації в умовах інтелектуалізації економіки. Вказано фактори, що сприяють виникненню ризиків під час диверсифікації, її недоліки, загрози та переваги. Схарактеризовано інтелектуалізацію економіки та визначені її функціональні напрями. Перелічені основні вимоги до інформації під час інтелектуалізації економіки. Наведено структуру інформаційних ресурсів бізнес-структури. Вказано проблеми та фактори, що є гальмівними під час інтелектуалізації економіки та можуть вплинути на процес диверсифікації підприємств. Виявлено вплив інтелектуалізації на різноманітні форми економічних відносин та розглянуто її як новий аспект розвитку економіки; тренд, що поступово переходить на світовий рівень.

Ключові слова: диверсифікація, процес диверсифікації, інтелектуалізація в економіці, проблеми.

Kovtunenکو Yu.V. Problems of diversification the business structures activities in the conditions of economy intellectualization. Scientific and methodical article.

The article defines definitions of "diversification" and "diversification process" by various scholars. The definitions of diversification were summarized on the basis of approaches that were considered. The essence of diversification is defined in the of intellectual economy conditions. The factors that contribute to the diversification risk, its disadvantages, threats and benefits are indicated. Economy intellectualization is characterized and its functional directions are defined. The basic requirements for information in economy intellectualization are listed. The information resources structure of the business structure is given. The problems and factors that hinder economy intellectualization and can influence the enterprise diversification process are indicated. The intellectualization influence on various forms of economic relations has been identified and considered as a new aspect of economic development; a trend that is gradually moving to the global level.

Keywords: diversification, diversification process, intellectualization in economy, problems.

The current tendency of the global economy is intellectualization, which is the result of changes in science and technology; innovative development of the world's economy. This process manifestation in the economy is traced in the growing role of science and education, the population's intellectual level, its qualifications and creative abilities, labour potential. Simultaneous diversification of the innovative economy processes contributes to changing the priorities of both economic activities and sectors and countries development. In this regard, it is necessary to identify and investigate the influence of the economy intellectualization on various spheres of life, diversification, etc.

Analysis of recent researches and publications

The research of diversification the business structures activities has been studied by such scientists as, Bohatova D.R., Bohuslavskiy Ye.I., Horianyk O.V., Hirmiak L.I., Bobak S.M., Zakharchenko V.I., Zghurska O.M., Morshchenok T.S., Ostryk A. Yu., Rudych O.O., Drahan O.O., Paniuk T.P., Lukomska O.I., Tkachenko K.V., Uzhva A.M., Arefieva O.V., Alisoї A., Voronets D.O., Rahman A., Zahri Imron, Husin Laila, Adriani Dessy (2017) and others.

Unsolved aspects of the problem, which are the subject of this article.

However, more detailed research and the problem identification and disincentives for diversifying the business structures activities in economy intellectualization are needed.

The aim of the article is to investigate the diversification theoretical aspects in the context of economy intellectualization.

The main part

Diversification is an integral part of the investment and management concept of an organization that has a positive impact on social, economic and environmental performance; stimulates innovations; contributes to the stabilization of an enterprise financial condition and the demand for services or products, improving the available resources usage. At present, there is no commonly accepted definition of the "diversification" concept, that is why scientists use the author's criteria in its interpretation.

Let us consider the definition of the "diversification" concept by various scholars (tab. 1).

Table 1. The definitions of "diversification" and "diversification process"

Author	The definition
O.M. Zghurska [1]	The diversification process is the process of enterprises entrepreneurial activities expansion and simultaneous development of various, non-interrelated types of production, the nomenclature and assortment of manufacture products expansion within one enterprise, as a result of which the production becomes compound multipurpose complexes, manufacturing products or providing services of different purpose and nature.
Kh.V. Drymalovska [2]	Diversification is a complex, structural and logical process of different activities types development, creation of new and available goods, works, services improvement with the purpose of functioning and consolidation of competitive positions in different markets on the basis of rational distribution and efficient use of resources, depending on the entity size.
T.V. Momont [3]	Diversification is a means to increase an enterprise efficiency, that is, to establish and strengthen a long-term position of an enterprise in the market, while at the same time it can be considered as a kind of marketing strategy aimed at expanding the activities spheres in the new products market, the manufacture of which is not related to the main production of goods, works and services, which involves the economic risks system analysis in order to ensure economic security and the enterprise competitiveness.
L.V. Ivchenko [4]	Diversification is one of the alternative strategies of operating a business based on combining and changing the existing and new components of an enterprise's investment portfolio, activities types, product assortment, internal business processes of an entity in order to preserve and increase a company's economic resistance to the possible risks, level economic efficiency and effectiveness of an enterprise functioning and ensuring the process of a company internal growth.
I.M. Manaienko, A.A. Kondratiuk [5]	Diversification is not only a change in the range of manufactured products, but also a markets complete reorientation, risks distribution and dependence reduction on business cycles and influence of business environment factors.
Yu.V. Samoilyk [6]	Economic diversification is a strategic mechanism for structuring business activities that involves the expansion, the development distribution of related or unrelated economic system elements in order to share risks, maximize economic benefits, achieve goals and achieve synergy.

Source: compiled by the author on materials [1-6]

Thus, diversification is an economic process that involves diversifying the business structure by expanding, combining, changing the range, activities, markets and other business processes in order to achieve a synergistic effect, increase efficiency and competitiveness in the future.

Diversification in the conditions of economy intellectualization is a system of economic, legal and organizational transformations, the purpose of which is innovative development with the new sources usage.

The factors contributing to the diversification risk are shown in fig. 1. Internal factors determine the causes of existing or possible losses within the business structure. External factors influence indirectly (externally) during diversification implementation.

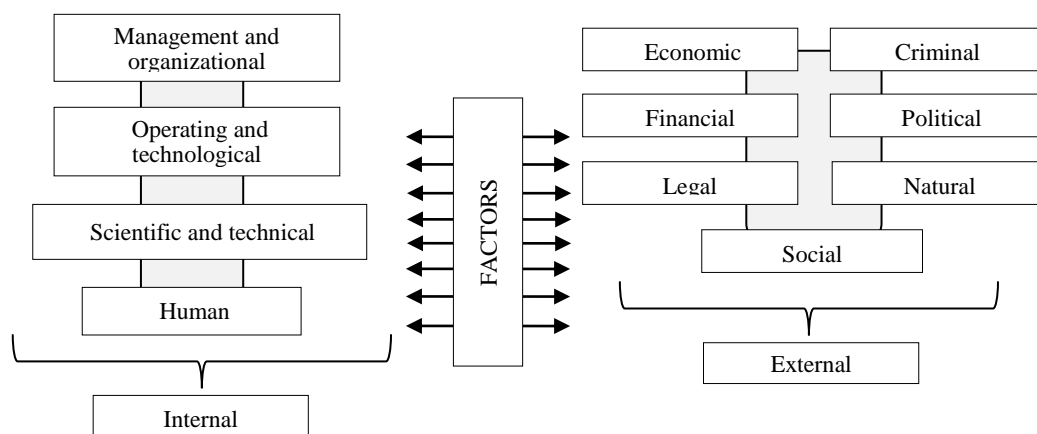


Fig. 1. Risk factors during diversification

Source: own elaboration

The disadvantages and threats of implementing a strategy such as diversification are:

- their competence unbiased assessment;
- uncertain consumer response;
- a new market insufficient study;
- temporary uncertainty of the strategy implementation;

- problems related to attracting or finding funding sources;
- increasing risks while maintaining production that is not a promising or unsuccessful strategy choice;
- the need for substantial financial investments (large-scale effect for strategic success);
- knowledge, training and experience in the fields that are planned to be mastered;
- an opportunity to evaluate long-term prospects.
- Diversification benefits are:
 - it reduces dependence on certain markets;
 - funds usage effectiveness regardless the ownership form;
 - capital protection from the crisis effects;
 - a wide range of financial assets, products, services and suchlike simplifies the investor choice (what to focus more on maximum benefit + minimum (acceptable risk));
 - balancing seasonal fluctuations for certain products types;
 - increasing the resilience level in a competitive environment.

Intellectualization helps to improve the quality of both financial management and management in general, which is the key to introduce novations and innovations. This process also enhances the role of labour resources, whose creative potential is a factor in economic and social development.

Characteristic for intellectualization is also economic independence growth while reducing the energy and resource intensity of the business structure, promoting the share of intangible assets in the balance sheet structure, improving the technological and technical base, reducing the dependence on resources and raw materials, the current assets gradual displacement.

Functional directions of intellectualization in the economy are both the creation and intellectual property objects usage in various fields (including industrial, demographic, environmental, foreign economic, investment, scientific, social, technical, financial and others).

A variety of economic benefits and a powerful development factor in intellectualization is information (in particular accounting and analytical managerial and innovative, economic and marketing, personnel). Compared to other resources, it is almost inexhaustible and is an information policy form of the organization. The requirements for information as an enterprise resource during intellectualization are given in fig. 2.

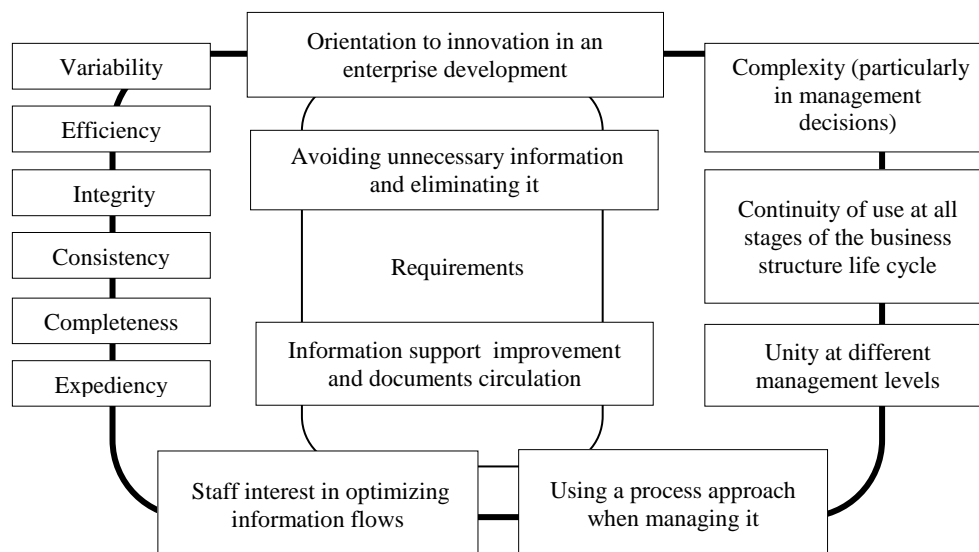


Fig. 2. The requirements for information during economy intellectualization

Source: own elaboration

The list can be expanded and supplemented. These requirements fulfillment taken together will allow to increase the business structure intellectualization and reduce the influence of inhibiting factors and possible problems during diversification. However, the purpose of an enterprise should not contradict the decisions concerning economy intellectualization.

The information resources structure of the business structure in terms of intellectualization is shown in Fig. 3. Information resources facilitate the modeling and forecasting of business processes in order to analyze cost savings (in particular during diversification) and to provide knowledge. Information infrastructure is an effective management tool for an enterprise, the purpose of which is economic development in the long run.

The business structure transition to new activities, diversification processes in the conditions of economy intellectualization necessitate the factors identification that will affect the transition or processes efficiency (for example, mechanical facilities, labour and material resources).

Labour resources should be appropriately qualified and high-tech when necessary (for example, provided a machine-building enterprise diversification), as well as problems related to restructuring, redeployment, retraining or recruiting. The business structure management is faced with task of minimizing personnel costs, achieving complementarity of employees' activities, and maximizing their potential while linking existing personnel with new services, products, and activities. The intellectualization processes effectiveness also depends on the development level and management and executive staff organization, that is why their imperfection is a problem in the activities diversification.

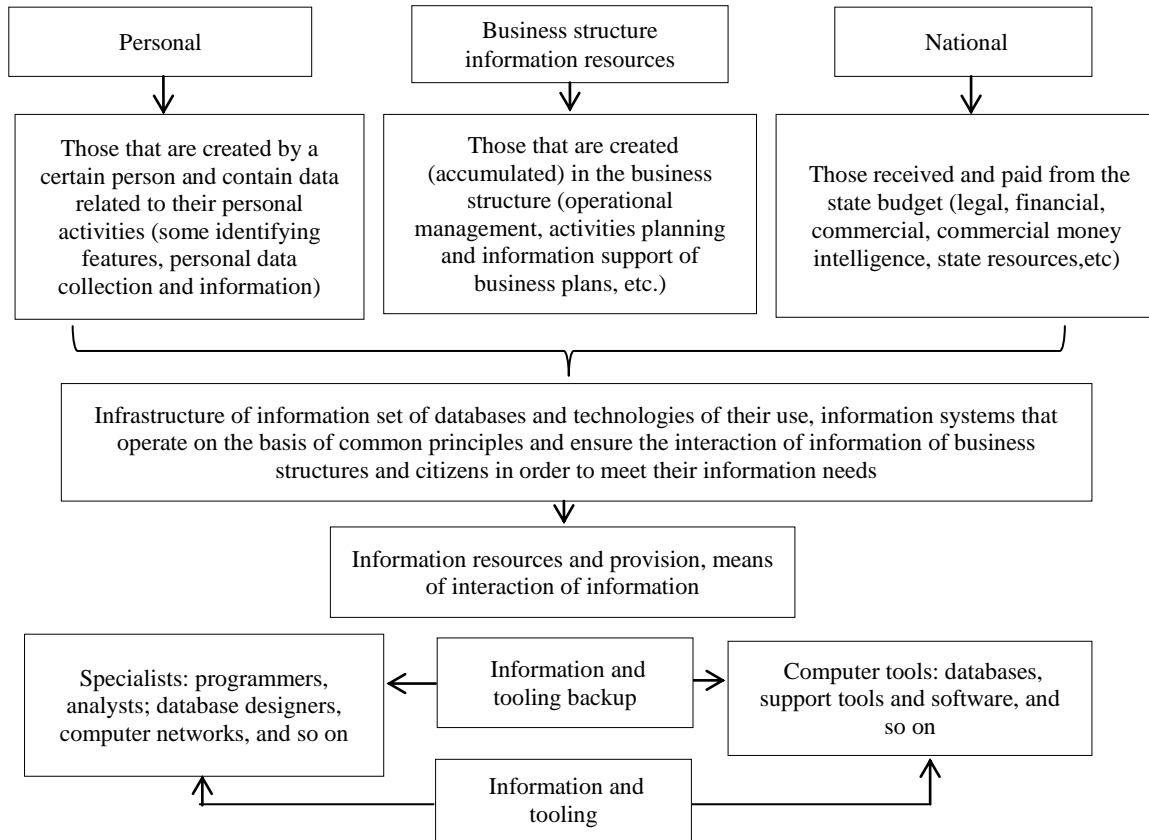


Fig.3. The information resources structure of the business structure
Source: own elaboration

Table 2. Intellectualization as a new aspect of economic development

Economic relations	The impact disclosure on them
Labour migration	The emergence of professional (migration) networks, new mechanisms for collecting and accumulating information, finding staff or jobs, virtual migration
Technical and scientific exchange	New mechanisms emergence that ensure science communities integration and collaboration; models for monitoring intellectual resources and sharing through high quality information support
Financial and currency	New methods emergence of calculations and relationship mechanisms, information support availability in transactions through the information systems usage
Production cooperation	Intellectualization manifestation in innovations implementation and development, increasing of information support quality; management system new mechanisms emergence, collaboration and interaction organization (including aspects of security and control, innovation implementation)
Trade	New transactions forms and markets emergence, their mechanisms; formats and modes of obtaining information regarding the market, partners, products and mor
Capital movement	New mechanisms emergence for monitoring information support for certain transactions and the capital market; platforms designed for analytical work

Source: own elaboration

Disincentives in economy intellectualization and that can influence the business structure diversification process, according to O. Kardakova are the following:

- emigration of technical and scientific personnel to other countries;
- imperfections in the intellectual property protection system;
- science insufficient financing and innovative business motivation;
- bureaucracy during staff training, this system underdevelopment;
- insufficient internal demand for intellectual products and lack of a system for stimulating it [7].

Increasing diversification efficiency is facilitated by new technologies usage, which provides an acceptable balance between profit and risk (individual for each business structure). The total risk amount includes systematic and non-systematic risks. The first one can be reduced through diversification, the second one cannot be reduced in this way (related to market growth and inflation) [8-9].

The intellectualization influence on economic relations various forms is shown in Table. 2. It can be seen that it is a driving force because: it is a prerequisite for increasing production efficiency; facilitates the effective tools or mechanisms creation for economic relations and low costs (including information and transaction); Ensures more sophisticated institutions and social networking.

Intellectualization is a trend that is gradually shifting to the international standards and requires both business and government structures to work hard during adaptation to changes. The need for information, knowledge, management problems require more efficient information infrastructure creation. Any company or institution is forced to take into account its influence (and in particular in the diversification course) in the global information environment when it comes to influence and international aspects. Systems for the purpose of providing data processing and data flows should meet intellectualization requirements.

Conclusions

The current trends, which underlie the transformations during intellectualization, promote of social and communication technologies usage in most life spheres, resulting in the creation of new forms and types of social technologization. Intellectualization is closely related to information and communication technologies, it influences the economic relations possible forms development (in particular during diversification). The key to the success of organizations engaged in activities diversification is the presence of a strategy for the intellectual resources or (and) intellectual property development in equity and corporate planning. However, it is necessary to take into account the potential problems and disincentives in diversification in the context of economy intellectualization. The prospect of further exploration in this direction is to investigate separate information systems usage in business diversification.

Abstract

The current tendency of the global economy is intellectualization, which is the result of changes in science and technology; innovative development of the global economy. This process manifestation in the economy is traced in the growing role of science and education, the population's intellectual level, its qualifications and creative abilities, labour potential. The simultaneous diversification of the innovative economy processes contributes to changing the priorities of both economic activities and sectors and countries development. In this regard, it is necessary to identify and investigate the influence of the economy intellectualization on various spheres of life, diversification, etc.

The aim of the article is to investigate the diversification theoretical aspects in the context of economy intellectualization

Disincentives in economy intellectualization and that can influence the business structure diversification process: emigration of technical and scientific personnel to other countries; imperfection in the intellectual property protection system; insufficient funding of science and motivation for innovative business; bureaucracy during staff training, this system underdevelopment; insufficient internal demand for intellectual products and the lack of incentive systems.

Intellectualization is a trend, is gradually moving to the international standards and requires both business structures and government structures to work hard during adaptation to changes. Modern trends are the basis of transformations in intellectualization, contribute to the social and communication technologies usage in most life spheres, resulting in the creation of new forms and types of social technologization. Intellectualization is closely related to information and communication technologies, it influences the economic relations possible forms development (in particular during diversification). The key to the success of organizations engaged in activities diversification is the presence of a strategy for the intellectual resources or (and) intellectual property development in equity and corporate planning. However, it is necessary to take into account the potential problems and disincentives in diversification in the context of economy intellectualization. The prospect of further exploration in this direction is to investigate separate information systems usage in business diversification.

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