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ORGANIZATIONAL AND ECONOMIC SUPPORT OF EXPORT ACTIVITY OF A MANUFACTURING ENTERPRISE IN THE CONDITIONS OF GLOBALIZATION

ОРГАНІЗАЦІЙНО-ЕКОНОМІЧНЕ ЗАБЕЗПЕЧЕННЯ ЕКСПОРТНОЇ ДІЯЛЬНОСТІ ВИРОБНИЧОГО ПІДПРИЄМСТВА В УМОВАХ ГЛОБАЛІЗАЦІЇ

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Організаційно-економічне забезпечення експортної діяльності
виробничого підприємства в умовах глобалізації.

У статті розкрито поняття експорту, експортної діяльності. Наведено відмінності між цими поняттями. Розкрито сутність організаційно-економічного забезпечення експортної діяльності виробничого підприємства. Виявлено фактори, що впливають на сповільнення/припинення експортної діяльності виробничих підприємств. Виділено сім основних аспектів організаційно-економічного забезпечення виробничого підприємства в умовах глобалізації: нормативно-правове забезпечення; інфраструктура; інформаційне забезпечення; інноваційне забезпечення; інвестиційне забезпечення; ресурсне забезпечення; організаційне забезпечення. Було розроблено рекомендації щодо покращення кількох аспектів організаційно-економічного забезпечення виробничого підприємства в умовах глобалізації.

Ключові слова. Експорт, експортна діяльність, виробниче підприємство, організаційно-економічне забезпечення.

Yepifanova I.M., Fomina N.M., Kupybida A.O. Organizational and economic support of export activity of a manufacturing enterprise in the conditions of globalization.

The article describes the concept of export, export activity. There are differences between these concepts. The essence of organizational and economic support of export activity of manufacturing enterprise is revealed. The factors that influence the slowdown / termination of export activity of manufacturing enterprises have been identified. Seven main aspects of organizational and economic support of a manufacturing enterprise in the conditions of globalization are highlighted: regulatory and legal support; infrastructure; information support; innovative provision; investment support; resource support; organizational support. Recommendations have been developed to improve several aspects of organizational and economic support of a manufacturing enterprise in the context of globalization.

Keywords. Export, export activity, production enterprise, organizational and economic support.

In today's globalization, the level of competition in the international markets is constantly increasing. Market participants need not only to produce quality products, but also to quickly adapt to the realities of the market, to change organizationally-economic support of export activity.

Effective interaction of the Ukrainian economy with the world economy is possible only if a highly developed export complex is created in the country, whose structural and functional characteristics should be determined in the context of the main tendencies of development of modern international business, strategic resources of the country's development and its national interests.

Today, Ukrainian manufacturing enterprises face many challenges to ensure their sustainable development. Effective export activity of a manufacturing enterprise affects its entire economic activity and its overall profit. Therefore, it is extremely important today to find the optimal organizational and economic support for export activity in a manufacturing enterprise.

In today's Ukrainian realities, export activity is not only a source of additional financial income, but also a tool that can help manufacturing companies get out of crisis and take a stronger position in the market.

Analysis of recent research and publications.

Organizational and economic support of export activity was considered by the following scientists and researchers: Mile Terziyovskiy, Al-Ost Salim Abdul-Aziz, Dunskeya A.R. Some aspects of organizational and economic support of export activity were considered by Brovkova O.G., Bepala O.A., Averikhina T.V.

Highlighting unresolved parts of a common problem. Although many domestic and foreign scientists have considered the issues of organizational and economic support of export activity, however, due attention has not been paid to this issue in the

context of production enterprises in the context of globalization.

The purpose of the article is to consider the organizational and economic support of export activity of manufacturing enterprises in the conditions of globalization.

The main part.

To date, one of the main indicators of a strong economy of the country is foreign trade balance, namely - a positive balance of foreign economic activity. The higher the foreign trade balance, the better the financial position of the manufacturing exporting enterprises as a consequence of replenishment of the state budget [1].

Unfortunately, in 2018, we see a negative balance between exports and imports. Thus, according to the State Statistics Committee of Ukraine, in January-August 2018, exports of goods amounted to \$ 30910.5 million (112.4% compared to the same period last year). Imports amounted to \$ 35914.6 million. (116.1% to January-August in 2017). Thus, the negative balance is \$ 5004.1 million, and in the previous period of 2017 this figure was \$ 3434.2 million [2].

Export activity has a significant impact on Ukraine's gross domestic product, since according to the Ministry of Finance in 2018, exports accounted for 45.2% of GDP [3]. Thus, the welfare and economic stability of the entire country depend on the

export activity of individual manufacturing enterprises.

In order to consider the organizational and economic support of export activity of manufacturing enterprises, it is necessary to consider the basic theoretical questions. In the Law of Ukraine "On Foreign Economic Activity" of 16.04.1991 № 959-XII the term export means "sale of goods by Ukrainian subjects of foreign economic activity to foreign economic entities (including payment in non-monetary form) with or without export goods across the customs border of Ukraine, including re-export of goods. In this case, the term re-export (re-export of goods) means the sale to foreign entities of economic activity and export from Ukraine of goods previously imported into the territory of Ukraine"[4].

However, some scholars emphasize the concept of "export" and "export activity", so Al-Ost Salim Abdul-Aziz believes that the export activity of the enterprise is a sequence of stages of pre-export activity, restructuring and export itself, described in tab. 1 [5].

Having opened the concept of export activity, let us determine what is its organizational and economic support.

Organizational and economic support of export activities are the main factors, levers, organizational and economic factors that directly affect the position of a manufacturing enterprise in the international market.

Table 1. Components of export activity of manufacturing enterprise

1	2	3	4
Component 1	Pre-export activity is a collection of economic functions activities enterprises that provide enterprise basic resources for making the exit on the outside market	Production and economic functions	Assessment of export potential
			Search and definition of export assortment
			Assessment of product competitiveness in foreign markets
			Provision of technical and economic parameters of export production
			Production of export product
		Organizational and economic functions	Establishment of foreign economic interests
			Analysis of international market conditions
			Development of export activity strategy
			Analysis and calculation of prices for export products
			Conducting an advertising campaign
Component 2	Restructuring is a purposeful set of changes that ensures the process of adapting pre-export activity to the conditions of the international environment and making it possible to carry out an operation to sell products for export	Adaptation function of export activity of enterprise	Resolving disputes with foreign counterparties and foreign market institutions
			Component 3
Preparation and conduct of negotiations			
Harmonization of conditions of foreign economic contract			
Obtaining licenses, certificates, registration of foreign trade contracts			
Customs clearance			
Transportation and cargo insurance			
Receiving funds from foreign counterparties			
Conflict settlement			
Evaluation of results			

Source: Own elaboration.

To understand what should be the optimal activity of manufacturing enterprises, let us examine what exactly causes domestic enterprises to cease their export activity in general or to reduce it. Thus, on the basis of the Institute for Economic Research

organizational and economic support for the export and Policy Consulting, we can identify [7] 10 main factors for the slowdown / termination of export activity of manufacturing enterprises.

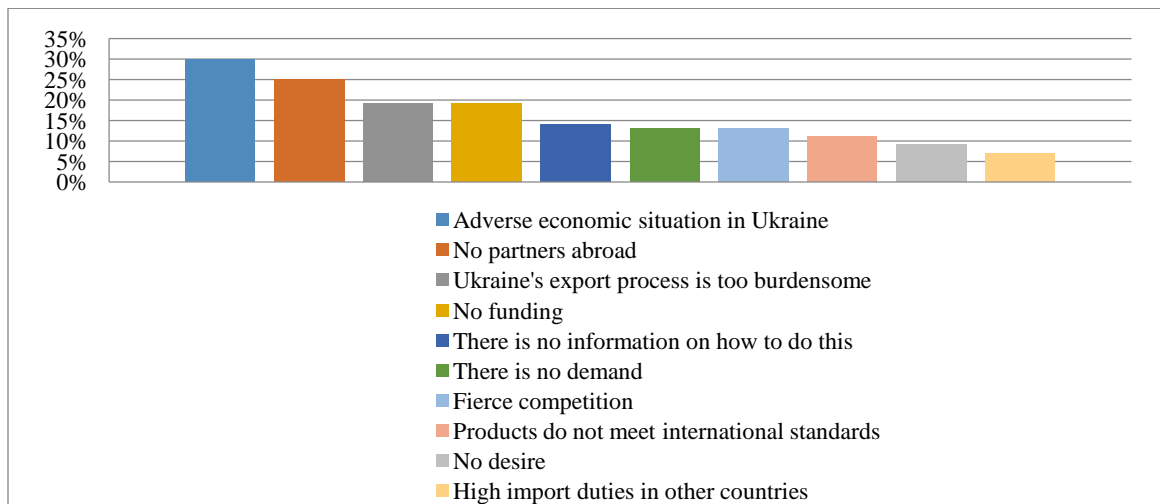


Fig. 1. Factors for the slowdown / termination of export activity of manufacturing enterprises
Source: Own elaboration.

Considering fig. 1, we can conclude that the main task of domestic manufacturing enterprises is to overcome obstacles to the environment and create optimal organizational and economic support for export activities based on the principles of unity and flexibility.

Here are the main aspects of organizational and economic support that will stimulate the development of export activity of manufacturing enterprises in the context of globalization:

- legal support – creation of a legal basis for export; protection of the economic and legal interests of exporting entities; creating equal opportunities for exporting entities, regardless of ownership; promoting competition and eliminating export monopoly; Obtaining certificates for the production enterprises to enter the foreign markets.
- infrastructure – coordination of economic policy of Ukraine with other countries; development and implementation of measures to increase and diversify exports; reducing bureaucratic barriers to export development; setting up a state export credit agency to promote exports;
- information support – creating and maintaining information pages on Facebook, LinkedIn, Alibaba. Creating your own internet site. Introducing Hubspot CRM to increase sales and exports, optimize marketing, improve customer service by storing information about them and their needs, improving business processes and analyzing sales results to further adjust them. Use of Microsoft Outlook by all employees of the manufacturing enterprise to

set tasks on a daily basis, monitor their performance and analyze the productivity of employees;

- innovative provision – improving the quality of products and competitiveness of the enterprise; strengthening existing market positions and entering new promising markets; replacement or improvement of technical equipment to produce better quality products with less resources;
- investment support – formulation of strategic investment goals in the field of export; research on the current state of the capital market and its development trends; increasing the degree of business transparency and building effective investor relations;
- resource provision – increasing the availability of free financial resources to expand production, carry out advertising campaigns, improve product quality by optimizing the structure of assets and using the method of financial planning – budgeting; reduction of material resources for production through the introduction of a control system; reduction of production cost by increasing labor productivity and scale effect;
- organizational support – implementation of organizational structure appropriate for the production enterprise.

In fig. 2 we will consider in more detail the organizational structure of the production enterprise, which will contribute to a better position on the market and increase the efficiency of exports.

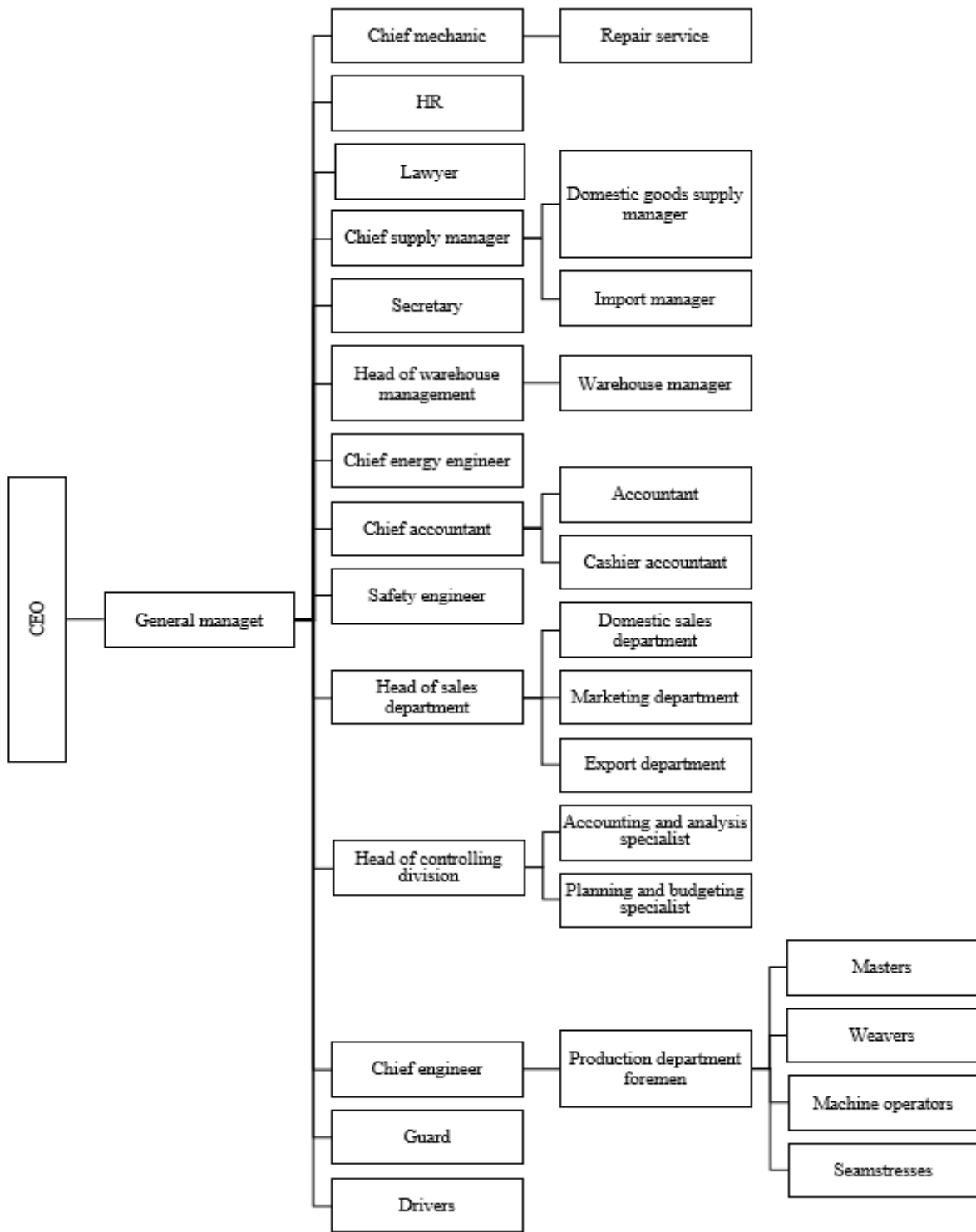


Fig. 1. Organizational structure of a manufacturing enterprise to increase export efficiency
 Source: Own elaboration.

This organizational structure will help increase the profitability of exports by reducing the burden on the day-to-day questions of the CEO and delegating the current tasks to the CEO. In this way, the CEO can deal with strategic issues and build relationships with strategic partners. The available logistics department will help reduce the financial burden on the cost of the export product from transportation costs. The warehouse department will reduce the cost of storing the goods. Controlling service is necessary for timely

supply and interpretation of information for management, as well as coordination of operational activities of the production enterprise [8].

Consider in more detail the resource support of a manufacturing enterprise, namely, ways to improve its financial position, because it has a direct impact on the ability of the enterprise to expand activities, create quality and technological products, to advertise it.

The main directions for improving the financial condition of a manufacturing enterprise include:

- reducing the cost of production. There are many ways to reduce cost: through innovation; by finding cheaper resources needed to produce products; by reducing the complexity of products and increasing productivity;
- search for opportunities to optimize the ratio between equity and debt. The optimal correlation between these indicators will provide the minimum financial risk for the enterprise and the maximum return on equity. It is necessary to increase the share of equity and reduce the share of borrowed funds. For this purpose it is necessary to introduce a series of measures for accelerated conversion of receivables with monetary assets; reduce the amount of fixed costs; defer payment of dividends or interest;
- it is possible to increase the amount of money by means of realization of superfluous production and non-productive funds, their leasing or leasing. This will increase the absolute liquidity ratio, which indicates the solvency of the company. As a consequence, economic relations with creditors will improve;
- to increase markets and sales volumes of products. This can be done by optimizing marketing policies, providing discounts to consumers, optimizing price reductions, using advertising, finding new outlets that will increase profits and, as a consequence, increase capital turnover;
- increase the volume of sales of stagnant products in warehouses. For this purpose it is advisable to create new points of trade. Such actions will lead to an increase in profits and an increase in the turnover of capital, which can accelerate payments to creditors and, as a consequence, reduce debt capital;
- to expand the assortment position. The production and development of new products that are in demand in the market will immediately lead to an improvement in the financial condition of the enterprise [9].

It should be remembered that one of the aspects of organizational and economic support for export activities is regulatory support. Export performance and profitability are directly influenced by the availability of quality certificates for products. In the absence of quality certificates, some product groups cannot be exported and the manufacturing enterprise has lost profit [10].

One of the most important certificates that a manufacturing company must export when exporting its own products are: ST-1 is a certificate of origin issued for exporting goods to the CIS countries; Certificate of origin is a certificate of origin of general form issued when a product has no preferences for entering foreign markets, or when benefits are temporarily suspended; EURO 1 Certificate is a certificate for export to the EU only. Customs duties on goods of Ukrainian origin apply.

Conclusions.

Thus, as a result of the research, we have identified seven basic aspects of organizational and economic support of a manufacturing enterprise in the context of globalization: regulatory and legal support; infrastructure; information support; innovative provision; investment support; resource support; organizational support.

Recommendations were also developed to improve several aspects of the organizational and economic support of a manufacturing enterprise in the context of globalization: ways of improving the financial position of a manufacturing enterprise are highlighted.

Abstract

Today there are many challenges facing Ukrainian manufacturing companies to ensure their sustainable development. The effective export activity of a manufacturing enterprise affects its entire economic activity and its overall profit. Therefore, today it is extremely important to find the optimal organizational and economic support for export activity in a manufacturing enterprise.

Although many domestic and foreign scientists have considered the issues of organizational and economic support of an export activity, however, due attention has not been paid to this issue in the context of production enterprises in the context of globalization.

The purpose of the article is to consider the organizational and economic support of the export activity of manufacturing enterprises in the conditions of globalization.

It is determined that the export activity of the enterprise is a sequence of stages of pre-export activity, restructuring, and export itself.

Organizational and economic support of export activities are the main factors, levers, organizational and economic factors that directly affect the position of a manufacturing enterprise in the international market.

The organizational component determines the formation of the mechanism of functioning of the enterprise, includes marketing activities, strategic management systems, analysis of competitiveness. The economic component involves innovation and investment measures, economic responsibility for product quality, business risk insurance, pricing, and assortment policy.

Thus, as a result of the research, we have identified seven basic aspects of organizational and economic support of a manufacturing enterprise in the context of globalization: regulatory and legal support; infrastructure; information support; innovative provision; investment support; resource support; organizational support.

Recommendations were also developed to improve several aspects of the organizational and economic support of a manufacturing enterprise in the context of globalization: ways of improving the financial position of a manufacturing enterprise are highlighted.

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