

## Strategies of Business Systems Development in Global Environment

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### Abstract

Given the complexity and unpredictability of changes in the global environment, the choice and implementation of strategies for the development of business systems in international markets requires careful analysis and refinement. The paper clarified the concept of business system and developed a methodical approach to the analysis of business systems functioning conditions. The multiplicity of approaches to classification strategies requires the submission of a typology of strategies for the development of business systems. The theoretical justification for the study of the processes of organizational development of business systems is based on the provisions of the institutional approach, organizational development and strategic management. The result of the research is the procedure for choosing a company strategy in a global environment and organizational development strategy. To confirm the selected provisions, the results of the analysis of strategies for the organizational development of enterprises of the bearing industry are presented.

**Keywords:** business system; strategy; global environment.

**JEL classification:** F60; M16; M21.

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### 1. INTRODUCTION

The processes of globalization and increased competition intensify the problem of strategic management of the development of business systems. The necessity of increasing the scale of high-tech production, the expansion of the range of innovative products, and new requirements for their quality led to the search for new organizational forms and means of strategic management of business processes of domestic enterprises.

Innovative business development is based on the adoption of managerial decisions, which should take into account a large number of interconnected circumstances. It is also

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worth noting that in the conditions of organization of such processes and the necessity of their information-analytical support, the key factor is the speed of making managerial decisions. Under such circumstances, decision-makers' decision-making speed can be ensured not only through the use of reactive control methods, but also on the proactive side, that is, one that involves simulating possible problem situations and their prevention in the implementation of business processes. Such simulation is one of the most important tools of information and analytical support of managerial decisions in the system of strategic management of enterprise development. The main problem of such a system was the search for the most appropriate strategies, means of preservation and improvement of the position of the company in global environment. However, beyond the bounds of the issue is the possible organizational development improving methods and forms of integration, the formation of business systems in the global space. From such positions, the object of strategic management is not an organization (enterprise, firm, company), but its activity (business), the process of functioning in a certain business system, aimed at a certain commercial effect of interaction between people and their groups. The main objective of business processes can be considered maximization of profit, reducing the cost of production and sale of products, performance of works and services, as well as improving the quality of products produced, optimal use of fixed and working capital, etc.

The formation of business development strategies is manifested through the need to identify the main features of enterprise development. Determining the strategic direction of business systems development in the global environment requires the identification, systematization of a set of factors that determine the state of development processes and the formation of strategic management tools.

## 2. THEORETICAL FRAMEWORK

The problems of the strategic development of business systems are devoted to the work of such authors as D. Aaker, I. Ansoff, G. Brooks, A. P. Gradov, J. Gus, M. Johnson, I. Dieter, C. Anthon, R. Kaplan, F. Kotler, T. Livith, L. Meysel, G. Mintzberg, A. Nalyvayko, D. Norton, N. Olivier, V. Otenko, A. Pylypenko, J. Pogorelov, M. Porter, P. Roberts. It should be noted that today there is no consensus among specialists and scientists dealing with this problem on the definition of the business system, the allocation of their types and strategies for their development, which conditioned the relevance of the current study.

Coase (1993) emphasized that the economic goal of creating and developing an organization as a form of certain joint activities of people is to minimize the amount of transaction costs or business costs. Transaction costs include costs associated with the search for partners, investors, clients; protection from the negative influence of competitors; violations of contractual obligations and mistakes in transactions; an additional payment for intermediary services; mechanisms of coordination of the interests of participants in business relations; imperfect production. Thus, the amount of transaction costs represents the business price, which is regulated by its system of relations in the middle of the organization, its external environment, industry and the market. Such a system of relations represents the business system. The ratio of profit and business prices serves as an indicator of the effectiveness of matching organizational form and content (Christopher and Sumantra, 1999), therefore the structure and nature of the business system determines the price of business for a particular organization. Thus, there is a need to solve problems

with the definition of a business system, analysis of business space, as the conditions for the functioning of business systems, the typology of strategies for developing business systems as ways to integrate them into business space.

The production of high-tech products within a single organization calls for the formation of such an organization into a diversified corporation, accompanied by an increase in the diversity of resources, technologies and capital. Such circumstances considerably complicate the management, which is connected with the necessity of maintaining the competitive status of the system elements in the conditions of increasing number of tasks of technical, technological, financial and human resources. That is, the construction of a business system is impossible without solving the issues of business integration into the corresponding business space, the internal dimension of which is identified with the micro-environment, the external - with the sector, market and macro business environment.

In the theory of strategic management is a recognized classification of ten scientific schools of strategies by [Mintzberg et al. \(2000\)](#), which are grouped by normative (prescriptive) and positive (descriptive) features. The first group includes strategies of design schools, planning and positioning, and the second group consists the remaining schools. At the same time, portfolio and competitive strategies, which form the basis for a model of market behavior as growth, expansion, and competition ([Nalivayko, 2001](#), [Otenko, 2014](#), [Otenko, 2010](#)), are recognized as the most commonly used in practice. It should be noted that the achievements and results of each of them prove the legitimacy of their use in strategic management of enterprise development. However, is this arsenal a necessary set of provisions and rules for effective strategic behavior of the business system in the global environment, when there is a need not only in the step-by-step response to competitive threats, but also the formation of conditions for its evolution? From these positions, there is a need for intensification of research activities directed at the formation and qualitative improvement of the theory of strategic management of the development of business systems. For any business system, organizational development of its business is important, which is related to the means and forms of its integration into the business environment. That is, from such positions it is important to highlight the strategies of business system relationships, which depend on the composition of the partners and their essence. Thus, [Nalivayko \(2001\)](#) presents a typology of strategies for organizing relationships through the allocation of four types of partners and priority causes for partnering with the state; competitors; customers and/or suppliers; stakeholder groups that exert pressure on the company. Using the matrix in which, apart from partners, we selected priority strategies (market, technological, financial, social) that create the corresponding the appropriate types of organizational strategies. Often in practice, according to [Johnson and Turner \(2003\)](#), there are such types of strategies state protectionism, association, affiliation, alliance, league public providers, political and technological and political and trade union (social orientation) strategies.

[Efremov \(2001\)](#) systematizes the strategies of organizational development on the basis of the use of forms and means of integration of organizations in the business environment as information (concentration) through additional use of internal resources of the organization, outsourcing (co-operation) through the transfer of a certain amount business functions to third parties and a combination (virtual). These groups of strategies represent the following types: concentration strategies representing the model of the tool for integrating the organization into the business environment as direct / reverse / horizontal integration,

market development / capture, product development, concentric / conglomerate / horizontal diversification, joint venture, reduction, rejection; cooperative strategies defined by the outsourcing means of integration of the organization in the business environment as direct / reverse contracting, joint venture; combination strategies that incorporate strategies for a virtual means of integrating an organization into the business environment as virtual corporation, virtual store, virtual auction, virtual order bureau.

### 3. METHODOLOGY

Entering a new international market requires solving several global issues: how to choose a market (developed or developing), in what form do you start international business (purchase of an existing business, start of a new business, partnership), what products are planned for the new segment (the entire range of the company, some kind of separate product or service), which determines the choice of the strategy of business systems in the global environment. Due to the fact that in different countries, despite the processes of globalization, the attitude to international companies is different, the strategies for the development of international business can be radically different. In some countries, local legislation makes it difficult for international companies to start a business from scratch, it may be necessary to search for a local partner company, and only then will it be allowed to manufacture finished products or provide services. In some countries it is considered that the creation of a joint venture avoids mistakes, but the scope of such a partnership usually defines local legislation, which may not always be on the side of a foreign participant. If, however, as an option to enter the market to consider buying a local company, then there are also complexities and risks, in particular, the risk of overpayment and overcoming resistance to buyers (investors) by shareholders. Thus, in the process of choosing the strategy of business systems in a global environment, management faces the issue of the pace of entering the international market, either acting directly or waiting. It is often advisable to use a combined strategy, on the one hand, a quick entry into the market by acquiring a local company, but on the other hand, a long-term study of the market and local traditions of entrepreneurship, before openly launching their brand.

The success of the international company is not necessarily the result of the accumulated experience, knowledge and resources and skillful use of them in a new market, as country characteristics in one market are not similar to other markets. The most important factor is the competent adaptation of the existing business model to the requirements and realities of a particular local market. Each new local market can have its own characteristics, so there are no simple and well-worked strategies. Each time the company's strategy on the international market needs to be developed anew.

Griffin and Pustay (2015) identify four variants of strategies for standardizing / adapting international activity as the strategy of duplicating the national business model, multilocal, global and transnational strategies. There are also many other classifications of strategies in the global environment. An interesting approach is Cullen and Parboteeah (2009), who distinguish a regional, multilocal, international and transnational strategy, focusing not so much on the end product of the company as on the need for standardization/adaptation of its development, production, promotion and marketing processes. The choice of strategy in the global environment depends on many factors, but

that they all boil down to the dilemma of standardization/adaptation or globalization/fragmentation (Table no. 1).

**Table no. 1 – Matrix of evaluation of strategies of international business**

| Strategies of new international business | Macroeconomic factors of business environment |       |                          |            |           |          |                | General rating |
|--|---|-------|--------------------------|------------|-----------|----------|----------------|----------------|
|  | political                                     | legal | scientific and technical | ecological | marketing | economic | socio-cultural |                |
| Export                                   | Y   | X     | Z                        | Z          | Y         | Z        | Z              | Z              |
| Leasing                                  | Y   | Y     | Z                        | Y          | Y         | X        | X              | Y              |
| Contract manufacturing                   | Y   | Y     | X                        | Y          | Y         | Y        | Y              | Y              |
| Joint venture                            | Y   | X     | Y                        | X          | X         | X        | Y              | X              |
| Own production                           | X   | X     | X                        | X          | X         | X        | X              | X              |

*Designations: X - Excellent; Y - good; Z - satisfactory.*

*Source: by the authors*

As can be seen from the table, it is strategically beneficial from the standpoint of environmental requirements to own production (general assessment X). However, this form requires the greatest expense and is the most risky (Klochko, 2015), since under the circumstances of force majeure the company loses not only material but also intangible assets. In the strategic planning process, political and legal stability should be of key importance (Gershun, 2016). In addition, the production itself should be created after the organization of the joint venture. Exports are the least attractive. However, it is also the least risky, besides, it requires minimal investment. In the process of strategic planning, the economic status of the country, which directly determines the level of purchasing power, is put forward in the foreground.

In marketing practice, many different analytical approaches to strategic analysis depending on factors considered most important and most characteristic for a specific company or business. The first approach, the Boston Consulting Group matrix (Henderson, 1985), identifies four types of strategic business units (SBUs) and defines the positions and dynamics of those products on the market depending on the life cycle stage. The second approach, the multi-factor matrix of General Electric (McKinsey & Company, 2008), demonstrates the relative importance of individual projects implemented by a multidisciplinary transnational company in numerous foreign markets, where the position of the company itself and its various products differ significantly. The third approach, PIMS (profit impact of marketing strategy) ("The Strategic Planning Institute," 2005), describes the impact of marketing strategies on company activities and tracks the relationship between profitability and the following economic parameters of a company's operations: market share, product price, investment intensity, research and development (R & D), vertical integration, introduction of new products into the market, marketing costs, differentiation. The fourth approach, the Ansoff matrix (product / market capabilities) (Ansoff, 1989), involves the use of four options for marketing strategies to maintain or increase the sales of different products in

the old and new markets. Fifth approach, Porter's Strategic Model and Matrix (Porter, 1987), offers two main concepts of marketing planning and alternatives to each of them: the choice of the target market (within the entire industry or individual segments); strategic advantages (uniqueness or price); considers the relationship between market share and profitability based on an analysis of the underlying strategies (cost benefits and differentiation).

That is, the prerequisite for forming a development strategy is the modelling, analysis and evaluation of internal factors of enterprise development for the formation of strategic management tools. Modelling of the factor system implies the adequacy of the processes of changing the state of the enterprise, the reflection of their essential properties and connections. The process of modelling and analysis consists of the following steps. Firstly, the concept of research is formed on the basis of the conceptual model of the research object as the strategic priorities and opportunities of the enterprise. Secondly, we formed a system of criteria and indicators characterizing the process of changing the state enterprise. Thirdly, we determined methods of economic modelling and evaluation factors of enterprise. Finally, the results are interpreted and analysed.

The main idea of the research is that the definition of the factors of the strategies of enterprise development involves the allocation of strategic priorities, which manifests through properties of adaptability, reliability, flexibility, mobility, sufficiency, etc. It takes into account. Firstly, the main property of the potential is the integrity, which is the result of the interaction of its constituents. Secondly, the priority of the economic goals of the enterprise consists with the economic results of activities. This allow, through the effective functioning of the enterprise, to achieve long-term development goals. Thirdly, the maximum degree of adaptability to changing conditions previews the internal and external environment of the enterprise, determined by its constancy and economic security. Economic security of the enterprise is the basis of preserving a sustainable competitive position, the instrument of effective functioning and stable development of business-system.

The first and second positions allow us to choose among all the indicators of the enterprise exactly the economic indicators that characterize the profitability of the enterprise (intensity of use of resources, efficiency of economic activity and business activity of the enterprise). The third provision stipulates the need to use indicators of liquidity and financial stability of the enterprise. To assess the financial and economic development of the enterprise we used indicators of solvency, profitability and business activity. Although listed characteristics are closely linked, they are separate areas of analysis.

Thus, the main characteristics of the state of the enterprise development must be defined adaptability, reliability, mobility and flexibility of the enterprise. For this purpose a system of indicators has been formed, which are grouped according to the criteria of liquidity, financial stability, efficiency of activity and intensity of use of resources (Table no. 2).

Given the rather large amount of statistical data on the activities of enterprises (18 enterprises of the bearing industry) as a method of modelling and evaluating strategic priorities, a factor analysis has been selected. Description of the factors of the processes of enterprise development is carried out using a system of indicators characterizing the state of these processes. The determination of the minimum number of factors that is sufficient to describe the original system of indicators and their correlations is solved by the method of the main components. According to standard procedure we obtain a matrix of loads of weight coefficients. Factor loads are characteristics of a stochastic connection between the output characteristics and the general factors. The statistical package Statgraphics Plus 5.1

International Professional are used for calculations of factor analysis. Interdependence of factors and variables obtained as a result of factor analysis is presented in Table no. 3.

**Table no. 2 – System of indicators for the study of enterprise development**

| Criteria  | Indicators                                      |
|---|---|
| Liquidity   | The coverage ratio ( $x_1$ )                    |
|   | Absolute liquidity ratio ( $x_2$ )              |
|   | Quick liquidity ratio ( $x_3$ )                 |
| Financial stability   | Debt-to-equity ratio ( $x_4$ )                  |
|   | Self-sufficiency ratio ( $x_5$ )                |
|   | Working capital turnover ( $x_6$ )              |
| Effectiveness of the activity and the intensity of the use of resources | Profitability of assets at net profit ( $x_7$ ) |
|   | Profitability of products ( $x_8$ )             |
|   | Return on equity ( $x_9$ )                      |
|   | Total profitability ( $x_{10}$ )                |
|   | Profitability of the main activity ( $x_{11}$ ) |
| Business activity   | Turnover rate of working capital ( $x_{12}$ )   |
|   | Turnover ratio of equity ( $x_{13}$ )           |

Source: authors, according to data of enterprises of bearing industry ("News of the bearing industry," 2018)

**Table no. 3 – Factors of enterprise development**

| Symbol         | Title and content factors           | Equation  |
|----------------|-------------------------------------|---|
| F <sub>1</sub> | Sufficient degree of adaptability   | $F_1=0,96x_1+0,89x_2+0,99x_3-0,67x_8+0,29x_{11}-0,27x_{12}$   |
| F <sub>2</sub> | Flexibility and maneuverability     | $F_2=0,97x_4+0,85x_5+0,98x_6+0,3x_9+0,26x_{11}$               |
| F <sub>3</sub> | Efficiency of use and profitability | $F_3=0,45x_4+0,83x_9+0,91x_{10}+0,25x_{12}$                   |
| F <sub>4</sub> | Mobility                            | $F_4=0,24x_5+0,6x_7+0,32x_9+0,42x_{10}+0,49x_{12}+0,82x_{13}$ |

Source: authors, according to data of enterprises of bearing industry ("News of the bearing industry," 2018)

The first and most significant is the factor created by the indicators  $x_3$ ,  $x_1$ ,  $x_2$ ,  $x_8$ ,  $x_{11}$ , and  $x_{12}$ . This sequence is formed as decreasing load factor. The indicators and their sequence suggest that this factor characterizes the state of adaptability through the liquidity and solvency of the enterprise. At the same time for the first three indicators ( $x_3$ ,  $x_1$ ,  $x_2$ ) normative values are defined, the change, reduction, or exceeding of which indicates the threat of loss of adaptability of the enterprise. Thus, it is possible to allocate several zones, reflecting the state of this factor, which determines the degree of adaptability of the enterprise. If the values of liquidity indicators are within the range of recommended values, then this indicates the "excellent" financial and economic state of the enterprise, which implies conditions for strategic development of the enterprise. The dynamics of changes in the observed indicators in the direction of the most acceptable values, that is, within the limits of the "corridor" of normative values, determines the movement of the factor within the zone of "adaptability" and characterizes it as a development factor. If the value of liquidity indicators below the normative values and their dynamics reflects an increase in deviations from the normative values, this indicates an "unsatisfactory" financial and economic condition of the enterprise and the loss of stability and degree of adaptability. Excess values of indicators of normative values characterize the processes of managing the resources of the enterprise as inefficient and ineffective. Significant influence among

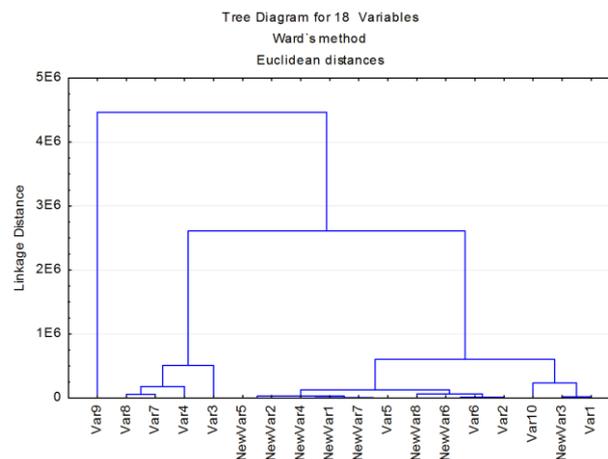
indicators of this factor is the indicator of profitability of products ( $x_8$ ). The commercial margin is mainly influenced by endogenous factors as the adopted pricing strategy and the existing policy, volume and structure of costs, etc. The growth of this indicator characterizes the development of the enterprise. The structure of the generated factor ( $F_1$ ) and the results of evaluation indicate an unformed sufficient degree of adaptability of the strategic potential and inappropriate management of the assets of the enterprise.

The factor of flexibility and manoeuvrability of the enterprise ( $F_2$ ) formed the next indicators: the working capital turnover ( $x_6$ ); the debt-to-equity ratio ( $x_4$ ), self-sufficiency ratio ( $x_5$ ), return on equity ( $x_9$ ) and profitability of the main activity ( $x_{11}$ ). The greatest influence in this factor is made by indicators that determine the working capital of the enterprise. The financial independence of an enterprise is determined by the ability to manoeuvre by its own means, with sufficient financial security for an uninterrupted process of activity. An enterprise that has lost financial stability can be defined as a future bankrupt. This factor from the point of view of partnership between enterprises can be considered as a criterion of reliability.

The structure of the efficiency of use and profitability ( $F_3$ ) is determined by the indicators: total profitability ( $x_{10}$ ), return on equity ( $x_9$ ), debt / equity ratio ( $x_4$ ), and turnover rate of working capital ( $x_{12}$ ). Indicators of profitability reflect the efficiency and profitability of invested capital and enterprise activity.

Mobility factor ( $F_4$ ) characterizes the following indicators: total profitability ( $x_{10}$ ), the turnover ratio of equity ( $x_{13}$ ), the profitability of assets at net profit ( $x_7$ ), return on equity ( $x_9$ ), turnover rate of working capital ( $x_{12}$ ) and the self-sufficiency ratio ( $x_5$ ). This factor reflects the activity of funds that the shareholder risks. Mobility and intensity of use of equity directly affects the state of the enterprise.

Based on the results of factor analysis, a cluster analysis was performed. It was Ward's method that was most appropriate for the breakdown by the system of indicators that determine 18 enterprises into groups. The division of enterprises into 3 main groups is obtained plus one individual enterprise as a cluster (see [Figure no. 1](#)).



Source: by the authors, according to data of enterprises of bearing industry

**Figure no. 1 – Clusters of 18 enterprises of the bearing industry**

Thus, the formed factor system reflects not only the strategic priorities and the complete structure of the state of development processes, but also determines the structure of each factor and the relationship between the indicators that determine each factor. The evaluation of factors by clusters of enterprises reflects the degree of influence of factors and its orientation within each cluster of the state of the process of development of enterprises. This study allows to identify, systematize and classify the whole set of factors that determine the state of development processes, develop a method for measuring the quantitative characteristics of the influence of these factors, having formed on this basis a toolkit for managing these processes. In order to have a complete understanding of the state of enterprise development, is necessary to further research both in groups of enterprises and in separate groups of enterprises.

#### 4. RESULTS

Analysis of each cluster of enterprises allowed determining the strategic priorities, type and character of the state of processes of their development. The state of processes of their development is characterized by: gradual development; unsustainable development due to insufficient degree of adaptability; falling and crisis due to the loss of adaptability.

According to the assessment of strategic priorities and factors of the state of processes of enterprises of the first cluster, their type is defined as a gradual development due to the nature of structural changes: a high degree of stability of development, as evidenced by the steady growth rates of the results of economic activity of enterprises; the intensity of growth and the innovative nature of the processes of enterprises; a high degree of flexibility for introducing innovations and market requirements; sufficiency to achieve enterprise goals.

According to the assessment of strategic priorities and factors of the state of processes of enterprises development of the second cluster, their type is defined as unstable development due to the lack of adaptability, as evidenced by: the passivity of the formation and development processes through the exhaustion of production and financial and economic potential and ineffective management of the processes of its changes; low degree of adaptability and reliability does not allow using market potential and defines enterprise strategies as a “survival” strategy; insufficient level of potential and its structural elements (personnel, techno-technological, innovation, resource-market) do not allow to form the strategic potential of the enterprise.

The third cluster includes enterprises that lack strategic priorities and the type of state of their processes are defined as falling and crisis conditions due to the loss of adaptability. This is the smallest group of companies.

For further research, the first group, this is the largest and not very homogeneous in terms of development, is the most interesting one. The enterprises of the first cluster, as shown by the analysis of the dynamics of change, can be divided into several groups depending on the price and quality of the manufactured products. To confirm the methodology of the formation and selection of strategies for organizational development, an analysis was carried out on the example of the bearings industry (Otenko, 2015). According to the results of the analysis, three groups of companies were identified according to the parameters of “price-quality” products and analysed organizational strategies, as well as corresponding organizational forms and measures (Table no. 4). In this study, the author applied a methodological approach to the research institutes of organizational relationships between enterprises through the allocation of organizational patterns (Hodkinson, 2007) as forms, methods, strategies cooperation.

**Table no. 4 - Segmentation of enterprises of the bearing industry by the parameters of the product "price-quality"**

| <b>Strategic groups</b>                                  | <b>Global and local brands</b>   | <b>Characteristics of activities and products</b>  | <b>Strategies</b>           |
|--|--|--|-----------------------------|
| Companies of the segment "High Price - High Quality"     | SKF (Sweden)   | innovator in the field of self-aligning ball bearings and knots; manufacturer of toroid bearings; has established new world standards of quality and durability through the production of roller-bearing bearings;   | Combining                   |
|  | FAG (Germany)  | manufacturer of intelligent and sensory bearings equipped with sensors for rail transport;   |                             |
|  | Koyo (Japan)   | manufacturer of hybrid ceramic and special bearings for extreme conditions; miniature and precision bearings for machine tools;  |                             |
|  | TIMKEN (USA)   | developer of technology of cementation (strengthening) of a surface layer of a bearing; the only company that uses this technology to produce all of the standard bearings sizes;  |                             |
|  | Fersa (Spain)  | Attentive manufacturer to the needs of the market offers the most complete range of part numbers for each vehicle application.   |                             |
| Businesses segment "Reasonable price - Moderate quality" | ZKL (Czech Republic), ZVL, PSL KINEX (Slovakia), «Vologda Bearing Plant», «European Bearing Corporation», «Samara Bearing Plant» (Russia), «Kharkiv Bearing Plant» (Ukraine); «Minsk Bearing Plant» (Belarus), etc | the manufacturers of bearings in the countries of Eastern Europe and the post-Soviet space, which have been in decline for a long time, but in recent years, due to their adaptation to the new conditions of a market economy, there is a reduction in the gap in the quality of bearings compared to European manufacturers; main clients are machine-building and metallurgical enterprises of Ukraine, Russia, Belarus, Kazakhstan, Uzbekistan, etc. | Concentration               |
| Businesses segment "Low price - low quality"             | Kraft, KG, TMB, JZ, DYZV (China), etc.   | mostly small companies producing cheap analogues of European producers; a high risk of acquiring counterfeit (uncertified) products.   | Integration and cooperation |

*Source: authors, according to data of enterprises of bearing industry ("News of the bearing industry," 2018)*

The conclusion on the results of the analysis confirmed the research as the success of business systems depends on the breadth of the organizational templates used by them to position the market. Examples of successful international industrial groups of this industry are SKF (Sweden), Schaeffler (Germany), Nachi-Fujikoshi (Japan), Fersa (Spain). Koyo is represented by 33 companies from Asia, America, Europe; Tomken by 60 companies in the US, Canada, UK, India, Romania, South Africa; SKF by 80 enterprises in 20 countries, incl.

Lutsk Bearing Plant in Ukraine. According to the research, less successful business companies continue to follow traditional rules and regulations to organize their activities, more successful focused on decisive and free manipulation of their resources. For comparison, SKF, the absolute leader in the bearings market, simultaneously uses all the revealed organizational forms and methods of interaction, even the strategy of collusion, cartel agreements, the effect of which exceeds the amount of fines for unfair competition; Japanese company Minebea Co. Ltd. found guilty of price bargaining and fixing prices in the US market; NSK and JTEKT are recognized in a cartel agreement and fined; according to the FTC, six European producers sold fixed-price products as SKF (Sweden), Schaeffler (Germany) and four Japanese companies NSK, JTEKT, NTN, Nachi-Fujikoshi were punished for participating in a cartel agreement. The Ukrainian bearings manufacturer of Industrial group UPEC (Ukrainian Industrial Energy Company) uses more actively strategic measures of the type of information that provides it with a competitive position in its market segment.

Thus, the main means of the integration strategy of the company Fersa (Spain) is the acquisition of 49% of the Austrian manufacturer of industrial bearings NKE Austria GmbH. This company started its expansion in 2002. It has grown from a small factory in Zaragoza to two modern manufacturing companies and four subsidiaries in Spain, China, the USA and Brazil, and its products have been sold in 85 countries around the world. There will be three companies (Spain, China and Austria), five distribution centers (Spain, China, Brazil, the USA and Austria) and three RDC centers (Spain, China, Austria) after the merger under the control of the conglomerate. The same strategy is followed by Nachi-Fujikoshi (Japan), a Japanese manufacturer of bearings and components that has built a new plant in Thailand. The choice of the Thai site is due to the concentration of automotive manufacturing in the Northeast Asia.

Strategies for price conspiracy are used most often by industry leaders. Although the Federal Court in Michigan on March 24, 2015, ruled that the Swedish manufacturer AB SKF and the German company Schaeffler AG cannot be prosecuted in the United States as non-residents, but to their subsidiaries that conduct their Activities in the United States do not apply. The case was followed by a suit filed in 2014 by Pam Bond, Florida Attorney General, against the world's largest manufacturers and their US subsidiaries NSK Ltd, NSK Americas, Inc., NTN Corporation, NTN USA Corporation, JTEKT Corporation, Koyo Corporation of the USA, SKF AB, SKF USA Inc., Schaeffler AG and Schaeffler Group USA Inc. The charge against the federal offense (separate paragraphs of the Sherman and Clayton laws) and the local anti-trust law confirmed that the companies agreed in the period 2000-2011 to raise prices for automotive bearings by 45% and stabilize them, despite falling demand from the automotive industry. The main argument is the fall in demand companies reduced their prices to attract new customers and retain market share. Thus, losses have been inflicted on economic entities in Florida, government agencies and private companies and individual customers. According to a statement from the US Department of Justice, the Japanese company Minebea Co. Ltd. (manufacturer of small-size bearings) found itself guilty of fixing prices for manufactured products sold to the US and other regions and paid a fine of \$ 13.5 million. In addition, the company agreed to cooperate with the authorities. According to the disclosure of the investigation the company participated in the agreement in the period 2008-2011 and so violated Sherman's law. It should be noted that this company has become one of the thirty-four that was attracted to fix prices.

Differences between associations and strategic alliances reflect their goals for alliances, the common goals do not violate the autonomy of enterprises and preserve their interests; for unions - for the general purposes and structure of enterprises lose their individuality. As noted by researchers (Pylypenko, 2008), the advantage of strategic alliances is the accumulation of organizational knowledge and the exchange of experience, the disadvantage is the loss of equal value of participation for all partners. To analyze the peculiarities of the alliance, we use the parameters of influence on the competitive struggle and symmetry of the alliance (Garrett and Dyussoj, 2002). Symmetry determines the level of equilibrium between the partner enterprises. Asymmetry is seen as a new form of interaction between economic entities, a system of coordination of economic agents in the process of resource allocation. From such positions it turns into a separate from the external environment market, which must function on the model of flawless competition (Hill, 2000, Pankaj, 2007).

## 5. DISCUSSION AND CONCLUSION

Despite the different levels of development of companies, they are characterized by similar features of the functioning of business systems, which consists in combining the means of the specified types of organizational strategies. Firstly, active integration processes (through concentration strategies as mergers, acquisitions) with the aim of expanding production capacities, maximizing the approaching potential consumers, and reducing production and sales costs. Secondly, active promotion policy consisting of the creation of trading houses, branches and subsidiaries, the conclusion of contracts with distributors, followed by providing them with advice and explanations. Thirdly, application of cooperative strategies, a broad developed industrial partnership that is implemented in the form of outsourcing of components, joint ventures or special orders (such orders include the production of a batch of bearings for a particular manufacturer, which will place their own brand on them). Finally, the enterprises can use methods of unfair competition and aggressive market behavior.

When developing the business systems strategy in a global environment, it should be clear about the presence and importance of individual factors and their interactions and their impact on the livelihoods of the company. It is important to determine the position of the company and its products in different markets in connection with the life cycle of the product and the type of business (commercial) activity. The company must carefully evaluate all capabilities, products and areas of development based on these estimates, allocate efforts and resources and formulate strategies. Not only each of the approaches, but the whole complex should be used in the development and implementation of the strategy of business systems in the global environment, which is expected to be evaluated in future studies. But at the same time, the average company can suffer from uncertain conditions and low profitability due to the lack of an efficient and unique product or benefits over overall costs.

Forming strategies of business systems is manifested through the main features of the enterprise, which defines the adaptability, reliability, mobility and maneuverability. In contrast to the existing models of strategy formation, a wider list of parameters for the development of business systems is covered. We focus on organizational change business systems in a global environment. To determine the strategic direction of business systems development in the global environment, a system of indicators has been formed which are grouped according to the criteria of liquidity, financial stability, efficiency of activity and intensity of use of resources. The factor system reflects the strategic priorities and the

complete structure of the state of development processes, identifies the most significant factors, and determines the structure of each factor and the relationship between the indicators. The estimation of factors by clusters of enterprises reveals the degree of influence of factors and its orientation within each cluster of the state of the process of development of enterprises. As a result of the research, a systematized and classified set of factors that determine the state of development processes is revealed; a method for measuring the quantitative characteristics of the factors influence is developed. On this basis, the toolkit of strategic management of business system development has been formed. The following strategies for the development of business systems are allocated: gradual development; unsustainable development due to insufficient degree of adaptability; falling and crisis due to the loss of adaptability. The strategy of gradual development is the most used among the enterprises of the bearing industry. According to the results of the analysis, three groups of companies were identified according to the parameters of “price-quality” of products and analyzed organizational strategies, as well as corresponding organizational forms. It should be noted that the efficient operation of business systems requires the combination of organizational strategies: integration processes, active promotion policies, application of cooperative strategies, aggressive market behavior.

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