

STRATEGIC ENTERPRISE MANAGEMENT IN A GLOBALIZED MARKET ENVIRONMENT

^aPAVLO BEZUS, ^bOLGA PAZYNICH, ^cIVANENKO
VALENTINA, ^dSHAFRANOVA KATERYNA,
^eDYVYNSKA YULIIA

^{a,b,c}V.I. Vernadsky Taurida National University, 33, John Mc
Cain Str., 01042, Kyiv, Ukraine

^{d,e}Separate Structural Subdivision of Higher Education
Institution "Open International University of Human
Development "Ukraine" Zhytomyr Institute of Economics and
Humanities, 18, Vilsky Shlyakh Str., 10020, Zhytomyr, Ukraine
email: "bezuss_pi@ukr.net, "olgapaazynichi@ukr.net,
"vv.ivannenko19i@gmail.com, "shafraanova1983i@ukr.net,
"dyvynska_yulii@ukr.net

Abstract: One of the crucial factors influencing the business environment is the globalization of economic processes. The influence of foreign countries, their legislation, and their companies on the domestic economy certainly takes place and will continue to grow. The article seeks to consider the process of globalization and enterprise management at the present stage of economic development. As a result of the implemented active process of globalization, the world economy has been transformed into a single financial system. In this system, the control center and the dependent periphery can be distinguished. The national economies of the countries that make up the periphery are more elements of a single world economy than independent economic systems capable of independently choosing their development paths. Given the novelty of the current situation in the global economy, it is necessary to determine which strategies will be relevant and effective in management in the current economic system.

Keywords: Contemporary Economy, Economic Development, Enterprise Management, Globalization, Market Environment, Strategic Management.

1 Introduction

Globalization is a concept that has been increasingly used in recent years. It plays a central role in the discussions of politicians, economists, and sociologists. It has theoretical significance and is a political and ideological slogan that mobilizes supporters and opponents to specific actions [4]. Globalization is one of the most characteristic phenomena in the world economy at the end of the 20th and beginning of the 21st century. It is often blocked or slowed down in various ways. Still, at the same time, it is strengthened through the creation of global institutions that, to a greater or lesser extent, regulate economic activity in the world.

The national dimension of this activity is gradually, first through regionalization, then more broadly, taking on the characteristics of a global strategy. New economic conditions and correlations of the "center" and "periphery" type, significant changes in the world market structure, and the international division of labor caused an adaptation process that covered most countries, which gave it a global character [49]. However, this does not mean that its content and goals are uniform in different states.

The directions in which changes are made are determined by the functioning conditions of national economies, the strength of states, property structures, etc. Nevertheless, the main goal is always set within a given national economy or the world as a whole. Therefore, the processes taking place in the world economy, which express the need to subordinate to the new system and cover an increasing number of countries, suggest that a global transformation is taking place [1, 2, 6, 7, 12, 15, 18].

All this poses new serious tasks both for the traditional theory of economic sciences and for the practice of economic life. At the same time, three main groups of transformation processes are of particular importance:

- The ever-growing division of the world economic system, leading to a deepening gap between the "rich" and "poor" countries, along with further stratification of the latter;
- The development of new forms of cooperation and a new international division of labor in "rich" countries, leading to deepening integration and interdependence within highly developed capitalist economies;

- The collapse of the European socialist system and the market transformation of its member countries.

2 Literature Review

Globalization is a process that was initiated and stimulated by the most economically developed countries (the USA, Western European countries, and Japan) [5]. However, it is carried out with full approbation of the rest of the participants in international relations, although the degree of their involvement and awareness of the depth of transformations is very different, which is automatically reflected in the significance of the changes being made and their dynamics in each country. It can be argued that globalization is based, on the one hand, on the interdependence of countries and regions, and on the other, on the unevenness of their economic development. Its necessary condition is the internal and external liberalization of economies. The first stabilize the country's national economy and harmonizes the principles of its functioning with the international environment, limiting the risk of investment and promoting the inflow of foreign capital. In countries that are lagging behind in the liberalization of their economies, the competitiveness of producers and goods is declining, which is of particular importance in the face of increasing competition. The second covers the exchange of goods, capital, services, and people, making it easier to import modern technologies.

The role and consequences of globalization are perceived and evaluated in different ways. Some consider it to be the main engine of technological and economic development, a catalyst for civilizational progress on a global scale, a guarantor of market openness and free movement of goods, ideas, and people, a real force in forming a single international community. Others, on the contrary, see it as a process that destroys jobs and hopes for an equitable distribution of what humanity produces, as a dark, soulless force that erodes the sovereignty of states and leads to a thoughtless unification of cultures [17]. These are two extreme points of view, each of which sees only one, light or dark, side of the process. But globalization is a complex, multidimensional phenomenon that has its positives and negatives. Moreover, like almost every objective phenomenon, it is associated with threats and many chances and valuable opportunities. Therefore only a comprehensive, ideologically unbiased analysis can help to understand it better and more fully.

As competition intensifies, including foreign companies, domestic managers must build their competition at the same level as their rivals [3]. Otherwise, companies will not withstand the pressure of modern methods and means of competition from foreign enterprises, and they will lag behind them and create conditions for them to conquer their market [22, 23, 27-30].

Globalization is a social process during which the geographical boundaries of social and cultural systems are erased, the process of transforming the world into a single whole [51]. The essence of globalization is the openness of borders for trade and financial flows. The adherents of globalization see its main advantage in strengthening fruitful competition, not limited by protectionist frameworks in the context of the global division of labor.

As the management of society improves, the need for knowledge about the objects of management increases, be it social groups, population strata, social organizations, territorial communities, or subsystems of society – economic, social, political, socio-cultural. In these conditions, both the subject and the object of management need reliable and complete information about the functioning of society, its main subsystems, organizations, and groups [13]. Unfortunately, sociological research shows that leaders and managers rarely and do not fully use the available information, despite the primary role attributed to it in management processes [31-36].

3 Materials and Methods

Based on the above reasoning, we can offer the following understanding of the phenomenon under consideration [37-39, 59]. First, globalization is an objective process of consolidation of heterogeneous connections and influences on a global scale, which consists in the fact that: firstly, the global movement of capital, goods, people, and information is becoming more and more intensive; secondly, as a result of this, the susceptibility of individual states and peoples to the various conditions and influences of the international environment is radically increasing.

The following types of decisive factors of globalization can be identified as the main and most typical ones: market, financial, technological, legal and political, cultural, environmental [5]. Each of them has its meaning and refers to specific forms, situations, and processes.

Strategic management extends to the long-term goals and actions of the company. Therefore, it can be said that the formulation of a strategy (course of action) and its clear toolkit are the core of management and the surest sign of good company management.

The content of strategic management is:

- Determination of the purpose and main goals of the firm's business;
- Analysis of the external environment of the company;
- Analysis of her internal situation;
- Selection and development of a strategy at the level of the strategic economic zone (SEZ) of the company;
- Analysis of the portfolio of a diversified firm;
- Designing its organizational structure [46-48, 50];
- The choice of the degree of integration and control systems;
- Management of the "strategy – structure – control" complex [41, 42];
- Determination of standards of conduct and policies of the company in certain areas of its activities;
- Providing feedback on the results and strategy of the company;
- Improving the strategy; management structure [3].

Strategic management begins with the definition of the mission (purpose) and the company's main goals. This establishes the context within which the strategy should be formed, and the criteria for its suitability are determined. The mission (purpose) shows why the firm exists and what it should do. The purpose of the external analysis is to identify strategic opportunities and threats. The firm's external environment is considered at two levels: the industry and the broader macro environment [56].

The purpose of the internal analysis is to identify the strengths and weaknesses of the firm [52-55]. This includes identifying the organization's quantitative and qualitative characteristics in manufacturing, marketing, materials management, research and development, information support, and finance.

4 Results

Strategic choice involves generating a range of strategic alternatives consistent with the firm's mission and objectives, internal strengths and weaknesses, external opportunities, and alternatives [9]. This process is usually based on a SWOT analysis. For a diversified firm, the problem is the choice of the optimal set of Strategic Economic Zones (SEZ) (creation of an optimal SEZ portfolio), for which special procedures are used (the so-called "matrix technique"). In addition, optimization of the SEZ portfolio is associated with the use of strategies for entering and leaving the market.

In general, four main types of strategies can be developed and implemented in an enterprise:

1. Strategies for robust growth – a strategy for strengthening market positions, a market development strategy, a product development strategy.
2. Strategies for integrated growth – reverse vertical integration strategy, forward vertical integration strategy.
3. Strategies for diversification growth – a strategy of centralized diversification, a strategy of horizontal diversification.
4. Reduction strategies – eradication strategy, harvest strategy, reduction strategy, cost reduction strategy.

But entering the international arena, the company is faced with a strategic dilemma, the need to choose between global integration or a high reaction rate in the domestic market. Management needs to decide whether each foreign branch will operate autonomously or whether the company will give preference to standard centralized procedures, which means it faces a choice of a global strategy: globalization or multi-regionalization. Some companies are trying to achieve both global integration and high speed of the reaction at the same time and are implementing a global strategy [8]. The globalization strategy allows significant savings to be achieved solely through marketing efforts, for example, through the same commercials, image standardization, and packaging unification [60-62].

The company's choice of globalization strategy means that it standardizes the construction, design of its products, and advertising strategies of all its enterprises, regardless of their host countries [63, 64]. This approach is based on the assumption of a single global market for both consumer goods and industrial products. According to this theory, residents of all countries worldwide want to purchase the same goods and lead the same lifestyle. Thus, the economic idea of the globalization strategy is that an organization increases its productivity by standardizing the development and production of goods, interactions in different countries with the same suppliers, accelerating goods to world markets, coordinating prices, and eliminating duplicating capacities.

4.1 On the Types of Decisive Factors of Globalization

Market factors relate to global markets and global competition strategies. One of the most striking examples confirming the phenomenon of market globalization is the concept of a world product. There are more and more goods that can be said to be produced in the world. A shared space is being created, obliterating national, regional, and international dimensions. Two factors evidence the globalization of the market. First, the design, development, production, distribution, and consumption on a global scale of goods and services created using tools, in turn, developed and made available on a global scale, including patents, databases, technologies, transport, communications. Secondly, – the creation of a global organization of firms operating worldwide, whose capital is largely owned by shareholders living in different countries. Their culture is open, focused on the whole world, and obeys a global strategy. It is difficult to determine their territorial, economic, legal, technological specificity due to the strong interrelationships that arise between enterprises, infrastructures, and regulations at different phases of the design, production, distribution, and consumption of goods and services. Market globalization as a phenomenon concerns all spheres of its functioning. All related institutions are subject to change. Ways of thinking, rules, and norms of behavior are subject to evolution. Functioning in the global market imposes qualitatively completely different restrictions on participants' behavior than those associated with the logic of functioning in the national or regional market. An important element, and at the same time a factor in the globalization of the market, is the dynamic development of transnational corporations (TNCs) and their new form of cooperation, which consists of organizing networks [56].

Competition in the world market is also global in nature. Business entities are trying to replace it with strategic alliances on a worldwide scale; that is, they create conditions characteristic of cooperation. The resulting situation is

characterized by the interaction of networked firms and the formation of a new competitive struggle for world leadership between their individual groups. In such a reality, the global firm becomes the primary economic entity. It is gaining key importance in the economy [10]. Corporations most easily survive the threats posed by globalization since they are the most elastic and open to change.

Financial factors are associated with the global movement of capital, money, and property transfer. The globalization of finance has its positive and negative sides. The first includes the fact that it allows you to go through the initial stage of economic development much faster than before. The second is a destabilizing effect on states' economies where there are problems in socio-economic structures and mechanisms and contributing to the rapid spread on a global scale of the consequences of the financial crisis that occurred in any country. The internationalization of property is also a result of the globalization of financial markets [11].

Currently, the main source of international investment is large firms that set up branches in other countries or buy out local enterprises, resulting from which international trade is being supplanted by production on an international scale. In 1990, world trade turnover was \$ 380 billion, and the value of the products of multinational enterprises – \$ 4400 billion. Following the internationalization of economic activity, the process of internationalization of property is progressing [57]. Manufacturing processes are becoming more and more mobile. Businesses try to produce goods as close to their customers as possible. Factors such as the availability of raw materials or cheap labor when choosing a location are no longer as important as they used to be. International firms place their investments where they can make a big profit.

Technological factors refer to the globalization of research, deployment, innovation, and technology. The phenomenon of techno-globalism can be viewed in three categories: global exploitation of technologies, international technological cooperation, global technology generation [3, 19]. Technological progress has led to the fact that the world, instead of expanding, shrank in people's minds and became a "global village". A transition is underway from an economy in which capital was strategic wealth to an economy where knowledge and information are such wealth. Just as the transport network moved products in an industrial society, now the telecommunications network, the Internet, electronic banks "move" the products of the post-industrial society.

Legal and political factors affect the unification of legal regulation, management methods globally, and the integration of social, economic, and political systems into the universal world system. The global order is the corresponding regulatory system, which establishes legal and other norms that determine the acceptable behavior of economic entities throughout the world. Today it is impossible to imagine a formed global order characterized by a high degree of coherence and harmony and at the same time being relatively fair for all participants, based on cooperation and prudent competition, without the presence of relevant institutions and regulatory instruments [65]. The goal is, among other things, to create a safe environment for the functioning of microeconomic actors, states, and peoples.

The cultural factors of globalization are the convergence of lifestyles and consumption patterns on a global scale and the universalization of consciousness and culture. Nowadays, although they are becoming more complex and inconsistent, the basic standards of mass consumption are available to everyone. The so-called consumption model of a post-industrial society appears, where, along with the desire to achieve material values, non-material goals are set (health, recreation, education, etc.) [14]. The process of globalization of lifestyles is reinforcing the "ideological industry," which assumes the role of producer and distributor of ideological elements – perceptions, images, and beliefs that permeate all social groups and center around shared goals and values. Although the unification of the world, which is

quite far advanced in economics and politics, concerning culture is slow, the pace of this process is also slowed down by inequality in the distribution of goods and resources between individuals, strata of society, and peoples, existing systemic or religious divisions. A characteristic feature of modern world relations is the presence of two opposite, pronounced tendencies concerning practically every sphere: the striving, on the one hand, for assimilation (uniformization), on the other, for differentiation [20]. The first of them is promoted primarily by the development of science and technology, resulting in the rapid and widespread dissemination of the so-called mass culture. This leads to the fact that the whole world's inhabitants have similar inclinations, fashions, customs, and even attitudes. The second trend is that individual communities want to preserve and deepen their ethnic differences, traditions, and cultural characteristics. Many manifestations of national and racial hostility, manifestations of xenophobia, which paradoxically stem from the processes of uniformization, are associated with this process.

Environmental factors characterize the state of the environment and a person's relationship with it. Increasingly, the question arises about the planet's ability to meet the rapidly growing needs of the population. The destruction of the natural environment is the most global threat common to the entire planet for the modern world. It is the result of independent decisions by billions of individual consumers of its resources [58]. Consequently, its reasons can be sought in the determinants of these personal decisions: broad information about how rash use of resources affects nature; consumer preferences; technologies available to manufacturers; the market value of resources, etc. The principle of rationality on a global scale should dominate in the activities of people in all spheres of life when each generation undertakes the obligation to provide and ensure each subsequent generation the same chances of development.

Changes are continuously taking place in all spheres of human life. The processes causing global changes act as megatrends of world development. Changes in the management principles of modern organizations are described in Table 1.

Table 1: Changes in the principles of management of modern organizations

The old paradigm	A new paradigm	Modern domestic management
Promoting consumption at any cost	Consumption according to reasonable needs	Unbalanced consumption due to high differentiation of incomes of the population, low level of competitiveness of the economy
People must meet the requirements of the workplace	Jobs must fit people	The employee is still considered a cheap resource, the growth of qualifications, culture and education of which is of little concern to many managers.
Top-down control	Encouraging autonomy, employee participation in management	Mainly administrative methods of management are retained
Aggression and rivalry	Cooperation and mutually beneficial interaction	Aggressive competition using off-market mechanisms that create barriers to market entry
Struggle for stability	Focus on change	Development through adaptation, striving to avoid change
Quantitative approach	Qualitative as well as quantitative	Financial indicators are considered basic, management effectiveness is not studied
Polarization of personnel in management, conflicts of groups and personalities	Eliminating Polarization in Collectives	Increased stratification of the organization's personnel by income, socio-economic contradictions
Focus on short-term solutions	Long-term effectiveness	Short term planning

Centralized operations	Decentralized operations whenever possible	Rigid centralization, distrust of decentralization of management
Standard remedies for selected deficiencies	Determination of the internal causes of disharmony and an approach from the standpoint of analyzing the control object as a whole	Unsystematic attempts to solve emerging management problems without the use of strategic management methods

The old paradigm defines the concepts of management development of the past periods, which no longer correspond to the new development conditions. A new paradigm changes managers' ideas, attitudes, and attitudes, which is necessary to achieve success. Thus, we can say that the new paradigm characterizes strategic changes in strategic management.

5 Discussion

In the context of globalization, the position of enterprises is changing significantly. The market economy within the framework of the national economy as a system based on the enterprise [14]. A modern market economy operating in a global market, with a distribution mechanism without regard to state borders, can be defined as a system based on transnational entrepreneurship networks. Transnational corporations answer qualitative changes in information transmission technology, the change in the role of individual factors of production, and a way to adapt to the liberalization of international economic relations, which allows more and more freedom to place products on the global market.

In the global economy, an efficient and competitive person will be one who:

- Will be able to apply information and telecommunication systems to find out the world market for factors of production and sales: after all, it is he who will be able to benefit from the ratio of scarcity and excess of resources on a global scale and make the choice of the place and methods of their use;
- Knows that competitive advantage is determined by intellectual capital and concern for its performance, best of all by combining with factors that are available in sufficient quantities on the global market. Then the scale of production will create conditions for both financing and payback for the implementation of technological and technological progress [45].

In the subject literature, there are various approaches to TNCs: some consider them as a response to qualitative changes in the world economy, others – as a factor causing globalization. Both are right since the interdependencies are very strong here. However, one thing is sure: transnational corporations strive to produce and sell goods and services in many foreign markets to maximize economic benefits through the optimal combination of factors on a global scale and adaptation of production to local requirements [17]. Therefore, the development of TNCs is not only the result of the progressive liberalization of international trade relations. They should also be viewed as an independent factor that accelerates and often forces liberalization. Moreover, TNCs have huge capital and demand, which less developed countries lack so much. Therefore, they have the real power of "persuasion" to justify creating conditions for them to operate.

Currently, the development of TNCs is the best evidence of the spread of the globalization process. Within a few years, their number has increased by about 50% in the mid-90s XX century; about 40 thousand corporations had about 250 thousand overseas branches. Their sales volume (about 7 billion US dollars) already exceeded sales volume in the framework of traditional trade deals [56]. There are more than 60 thousand TNCs and about 500 thousand of their foreign branches in the world. They produce more than 1/3 of the world's industrial output and approximately 25% of its gross product. TNC's sales volume is 30% higher than the volume of world exports, and its growth rate exceeds the growth rate of global exports.

The internationalization and globalization of enterprises are carried out mainly by an external method, that is, through international fusions and connections. It makes it possible to quickly and efficiently expand into foreign markets since it eliminates competition and preserves the best resources of economic entities operating in this market, including their customers, contacts, and distribution channels. In 1999, the scale of fusions and attachments in Western Europe was estimated at \$ 1.6 billion, in the USA – \$ 1.9 billion.

TNC is characterized by a strategy based on the search for so-called strategic assets. These firms primarily try to use the achievements of technological progress in the fields of transport and information transmission [20]. They have the most modern means in these areas, who have not previously noted in history the possibility of understanding the global knowledge markets, factors of production, sales. The global market is becoming more and more transparent, which is a fundamental factor determining the quality of the mechanism of market localization and behavior concerning supply and distribution. This leads to the fact that TNCs have qualitatively new opportunities to search for market niches, a favorable location of foreign branches, the organization of production based on foreign technologies, production facilities, and cheap labor [26].

Strategic organizers of these corporations increase elasticity by limiting fixed costs, using network systems that create conditions for the sale of an increasing number of products produced based on orders in other world countries [16]. However, these networked systems are becoming too resilient to be embraced by a strategy of constant change. Therefore, many of their constituent elements disintegrate or change after completing a specific task.

TNCs attach great importance to the development and implementation of innovations, which leads to an increase in the economic effect due to the creation of a temporary (often quite long) monopolistic position. In addition, they receive certain benefits due to better prepare for the search and use of price differentials in the markets in their activities. All this leads to the fact that the distance between TNCs and other firms is constantly increasing.

Currently, there is an unusually rapid development of information technology. It causes a revolution in the traditional rules of the market game when the global environment of the enterprise is more and more intensively revitalized and responds more and more quickly. Large corporations operating in international markets have to adapt to this new quality, and small and medium-sized enterprises must constantly reckon with the possibility of an invasion of their market by the strongest American, German, Japanese, or another competitor.

A modern enterprise is forced to operate in a situation where the life cycle of technologies and goods is becoming shorter; the functioning of the market "outside the borders" of countries changes the conditions for the choice of factors of production and places of sale; increased external competition destroys the existing barriers to entry into this sector; the transformation of intellectual capital into the most important factor in the struggle for a future competitive advantage destroys old hierarchies and values.

As a result of the external and internal revaluation of values, new requirements for enterprises are born. In summary, we can say that they are obliged to:

- 1) Make a qualitative leap in the area of efficiency and competitiveness requirements, caused by the leadership of TNCs, whose share in the global market is growing;
- 2) Learn to operate in the international market, at least – to comply with the conditions of competition created by the global market;
- 3) Adapt to the qualitative changes that have already occurred, and at the same time, learn to function in a much more volatile and turbulent environment [19].

Qualitative changes lead to the fact that any traditional extrapolation of experience to the future does not help, as before, but hinders enterprises. At the same time, it is becoming more and more difficult to predict the development of events and changes in the conditions of functioning. And after all, its position in the market depends on how successfully a business entity can adapt to outstrip competitors [8].

Therefore, change, previously seen as a "necessary evil" that should be limited, becomes the essence of the organization's functioning. Unfortunately, many enterprises still view them as the result of erroneous actions of the management, its inability to work in new external conditions. For them, changes mean an imbalance, a lack of coordination, a farce, since they are perceived as an alternative to "good" functioning, which is still identified with stability, which ensures a clear production and sale of labor results. For these business entities, it is most difficult to consider changes as a natural phenomenon, which should become an integral part of their life and the basis of their activity.

One of the paradoxes of our time is that those enterprises improving their organization, structure, and functioning for a long time are more challenging to adapt to new conditions. They have everything provided, controlled, ordered, but this makes it difficult to adapt to the inconstancy of external factors. In an environment characterized by increasing volatility, business entities must learn to be flexible and manage change to the required degree [16]. Therefore, an important task for them today is, on the one hand, the creation of such an organization, the products and services of which will allow them to respond flexibly to the needs of local customers, and on the other hand, the simultaneous development of a global organizational culture and global scope of activity.

To solve this problem, it is necessary to transform many elements of the enterprise management system. As already stated, the approach to the use of past experience should be changed. The stormy environment forces one to doubt the traditionally understood idea of planning, and not only because it is impossible to project current trends into the future. All that can be planned is that atypical and exceptional events of an ever-increasing scale will take place [24]. Therefore, strategic planning is being supplanted by strategic management.

The labor resources of the enterprise are becoming increasingly important in modern conditions. There is no doubt that people are the key drivers of change. Under challenging conditions, it is necessary to use the knowledge and experience of employees creatively, which requires them to grow in independence and responsibility. To stimulate creative behavior, people must feel the inner need and meaning of their activities. Consequently, the owners and managers of the enterprise need to change the nature and method of personnel management, to understand that this is the most important resource in the enterprise. The increase in the independence and responsibility of employees is a process of decentralization at the enterprise. It leads to a simplification of the organizational structure, to the limitation of bureaucracy. Moreover, the desire for elasticity has become the basis of a new phenomenon – the division of firms into small interdisciplinary, multifunctional units consisting of specialists in different fields and working on a specific project.

Globalization poses another problem for enterprises, which is associated with the concentration of capital and production. In many countries, small and medium-sized businesses' development is considered the main task and way of increasing economic activity and employment growth. However, one cannot but pay attention to the requirement arising from globalization, the development of TNCs, and the new role of intellectual capital: research and development of innovations usually require a large scale to be recouped. And for the transformation of national enterprises into transnational ones, an appropriate concentration of resources and capital is needed to invest it in the global market. For a business entity to be a strategic investor, it must achieve a specific position in the

market [26]. Therefore, it can be argued that concentration is necessary so that national enterprises do not find themselves in the role of executors for TNCs. Of course, it is required to promote and support the development of small and medium-sized enterprises. Still, at the same time, it is necessary to create conditions for their transformation into large firms so that they can become full-fledged economic entities of the global market.

In the context of globalization, the evolution of an enterprise goes through several phases:

Phase 1. Development on a national scale. An enterprise on a national scale uses all its capabilities to obtain specific benefits. At this stage, it is not interested in entering foreign markets, especially in cases where the domestic market size is sufficient.

Phase 2. Growth of export activities. The enterprise has reached the corresponding production volume. To eliminate the problem of implementation, it seeks to expand sales markets and begins to export products.

Phase 3. Overseas production. Production is transferred outside the country where branches of the enterprise are opened. As a result, it expects to reduce transport costs and other benefits provided by the host country, such as cheap labor, raw materials, subsidies, etc.

Phase 4. Internationalization of the enterprise. It enters the markets of several countries and seeks to consolidate all international operations. The essential is exchanging final products and their components between the overseas subsidiaries and the parent company.

Phase 5. Globalization of the enterprise. A decision is made to globalize all operations. At the central level, production and distribution operations are coordinated. In addition, the company is looking for partners to reduce the fixed costs of operation. However, it should be noted that phases 4 and 5 do not necessarily follow one another; they can be carried out independently [21].

Such development requires developing an appropriate strategy to ensure the effective functioning of a business entity at each phase and a timely transition to the next. In the first three stages, the task of the managers developing it is to determine the place of the organization in the changing external environment, study possible chances and threats, and carry out the necessary adaptive actions.

The strategy should be supported by an appropriate organizational structure, a modern management system, and an elastic organizational culture to be effectively implemented. In addition, the enterprise needs to strive to produce high-tech and high-quality products based on world standards, to develop logistics and distribution systems that provide quick contact with customers and suppliers. Particular attention should be paid to the formation of marketing orientation and creating conditions for the development of innovation. This is the only way to ensure an advantageous competitive position for the company in the national market and create opportunities for its internationalization.

Significant complexity problems characterize the last two phases. The global market is the goal of an increasing number of enterprises and organizations that, to survive, must seek new management methods and new forms of business organization [25]. The conquest of competitive advantage takes place in an acute struggle, which is a consequence of the functioning of the world market, characterized by intense competition, advanced products, global technological rivalry, the development of international organizations such as conglomerates, concerns, holdings, network and virtual enterprises. In such a situation, business entities should closely monitor the market, technology, and technology development and predict customers' and competitors' behavior. Their goal is to develop and implement expensive programs and strategic activities, both at their own expense and external capital involvement. This means that the

competitiveness of each particular enterprise depends on the ability to quickly generate new products and sell them on the global market, as well as on the conditions that it, local, and central government agencies create.

Today, enterprise managers are faced with several fundamental questions that require immediate answers [16, 21].

1. Learning to adapt: how can an enterprise effectively cope with constant multi-dimensional change? How can it strengthen its ability to learn and adapt to them?
2. Structure: how should the company be organized to respond quickly to unforeseen market changes? What should be its connections with the network of customers and suppliers?
3. Skills: what qualities do managers need to manage tomorrow's enterprise? What skills will be essential to achieve success at all levels of an organization operating in such a dynamic environment?
4. Management style: what happens when the directive-control style of management is contrary to the current actions of uniting employees? How to make decisions in business when more and more employees have wide access to a huge amount of information?
5. Influence of information technology: what will happen to industrial structures when "electronic markets" and "information highways" enable buyers and sellers to find each other anywhere in the world without human mediation?
6. New ways of working: how will people work in groups in the face of a significant increase in communication and coordination capabilities, how will their work be evaluated, will there be a decrease in the number of large offices and factories, will more people work from home, communicating with the enterprise using computers?
7. Innovation: How can an enterprise create an environment that generates relentless innovation in a competitive world, where enterprises that are the first to find and implement a new idea have a great chance of winning?
8. Means of Success: If intellectual capital and other intangible resources play a significant role in achieving success, how can traditional accounting tools be adapted to represent better the enterprise's actual resources, debt, and long-term prospects?

In answering these questions, managers from different countries and regions of the world rely on accumulated national experience, traditions, norms, and rules. Only an organization that can adapt to its changes uses the possibilities of elastic formation of production and distribution processes to compete in the international market [40]. However, the main factor in achieving a competitive advantage is creating a team of highly educated managers and innovators interested in obtaining results capable of implementing the adopted plans and strategic programs. For the practical work of managers and employees of the enterprise, an appropriately designed management system is required. It should be:

- Innovative, that is, capable of innovations regarding not only products and processes, but also structures, the use of human potential, procurement, inventory control, marketing, service;
- Adaptive, i.e., able to adapt to changes in the behavior of employees of the organization, customer preferences, investor expectations, legal regulations, availability of resources in the global market, strategies of competitors;
- Elastic, i.e., capable of increasing and decreasing the size of the organization, changing directions of actions and strategies, creating coalitions, eliminating ineffective or less effective units;
- Effective, i.e., capable of maintaining a lasting advantage over competitors in the field of products, productivity, staff satisfaction, customer loyalty, quality, and ease of service of goods;
- Fast, that is, capable of responding more quickly than competitors to changes in the environment [45].

6 Conclusion

The most critical factor determining the development of the world economy is the globalization of the world economy. It is based on the growing interdependence of national economies and their ever closer integration [4]. Global infrastructure systems (transport network, Internet, etc.) are emerging. The importance of the global problems of our time is growing, the solution of which requires the cooperation of all countries of the world. Scientific and technological progress has a significant impact on the ongoing processes, primarily in information technology and telecommunications. The process of globalization affects the level of interstate relations and all levels of the economy. It also has a significant impact on the development of companies in various countries.

Currently, there is a process of transferring the economy, and therefore enterprises, to an innovative path of development worldwide. This all suggests an idea and speaks in favor of the fact that globalization is the strongest factor influencing the innovative activity of an enterprise [24]. After all, the role and place of the country in the world community, the standard of living of the people to a greater extent depends on the scale of the use of new knowledge and technologies; new knowledge and technologies are also globalized and have an international character. And for an enterprise, the effective use of scientific and technological achievements, their transformation into concrete commercial results is one of the conditions for economic growth against economic globalization.

The control systems of most enterprises do not meet international standards and requirements. This is the only reason why their position in the competition is weakening, which manifests itself in the difficulty of responding to changes in the market environment and customers' needs, in problems with the introduction of modern technology, technology, and organizational solutions [10]. One cannot agree that the post-socialist countries are isolated from the global market and its requirements. Of course, self-isolation is possible, but it would mean a strong and deepening lag, resulting in which the country may find itself on the periphery of civilization. The only way of development at present is the intensification of foreign economic ties, entry into world economic structures [43]. Governance, which is becoming one of the main factors of development in an increasingly globalizing economy, is intended to help in this.

In modern conditions of market globalization and competition, rapprochement of different countries in terms of the high-quality level of technology and technology, the most crucial resource of organizations are managers who are able to respond to changes in the external environment quickly, offer new, non-standard solutions, generate original ideas and proposals, and develop unique strategies. Thus, strategic management in the context of globalization is in dire need of highly qualified managers.

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Primary Paper Section: A

Secondary Paper Section: AE, AH