

DIRECTIONS OF DIGITALIZATION OF THE ECONOMY IN THE CONDITIONS OF STAGNATION OF BUSINESS ACTIVITY

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ABSTRACT

***Aim of the study:** Focusing on inter-regional cooperation, we consider it appropriate to create an inter-regional center in the structure of management institutions to help stabilize and increase the business activity of industrial enterprises. Functionally, such an institutional structure will interact with regional local governments (for example, in the Western region), as well as establish and maintain contacts with state, financial, banking, industrial and industrial organizations in the region. In this case, it is appropriate to organize the management of joint ventures that are owned by several territorial communities.*

***Methodology:** Thus, the creation of a single production enterprise at the expense of individual local budgets to meet the needs of several administrative-territorial units in its products. For example, the cooperation of the MIS of agricultural territories will contribute to the creation of a machine-building plant specializing in the manufacture of agricultural machinery.*

***Conclusion:** So, coordination of work of branch departments of the cities of regional value, financial offices and departments and establishing new forms of cooperation at the regional and interregional levels in the field of sustainable development of administrative-territorial units will contribute to the effective implementation of the state regional policy and competitive business environment.*

Keywords: Entrepreneurship, Innovation System, Risk Management, Stock, Component, Formation.

INTRODUCTION

The activity of financial support institutions for this approach requires the addition of separate elements of investment infrastructure: regional centers of investment policy investment councils at local governments of regional, district and other local levels, expert councils at regional state administrations. Improving the organizational structure for managing investment processes in the region and directing cash flows for financial support of business entities in production sectors will also contribute to the development of interregional cooperation (Ferrando-Latorre, 2019). Thanks to the proposed joint organizational structure of management, which is defined by investment institutions, new opportunities are created in the regions for

expanding production cooperation of enterprises operating in priority (and related) industries and located within one or more administrative divisions (Zhang, 2019).

Increasing the role of the state in the implementation of industrial policy will be achieved primarily through the use of regulatory mechanisms inherent in the market economy (Brandt, 2019). The strategy of institutional transformation in industry should be consistent with integration processes (Oo, 2018). Which occur in the business environment (Martín-Lara, 2019). This will contribute to integration, full membership in the WTO and the implementation of new economic relations for the development of European integration cooperation within the framework of regional institutions in Europe (Arend, 2020). The acceleration of institutional transformations will improve the mechanisms of market self-organization of industry and create a hierarchical institutional system that can ensure effective state regulation of the development of domestic industry at all stages of the innovation and investment cycle in the context of integration and globalization processes (Perenyi, 2018).

METHODOLOGY

Implementation of the strategy of integration interaction of enterprises consists in studying the situation of integration-oriented business environment and performance indicators of domestic industrial enterprises (Liebregts, 2019). Therefore, the management of integration processes should provide for the development of such mechanisms that would ensure it with the least losses for IP participants. Then the business entity, studying the factors of integration of the business environment and analyzing the trends of its own development, determines the methods of personal behavior for the implementation of the IP strategy (Boiko, 2019). Moreover, for large enterprises, the advantages of IP consist in the use of such mechanisms that have contributed to their gaining a monopoly position in the market, so the capital strength of these enterprises is considered as a criterion of monopolism (Lewellyn, 2018). One of the ways such an enterprise can avoid monopolistic competition is to diversify its own products (Saadatmand, 2019). At the same time, the volume of sales of each of its types will not allow defining this enterprise as a monopoly structure (Content, 2019).

RESULTS AND DISCUSSION

Taking this into account, to assess the effect of the functioning of an integration Association, first of all, it is necessary to identify inefficient indicators in its structure and activities. Therefore, the overall impact of any negative factor in the business environment, as well as the influence of factors that form it, on the types of economic activities, structure, supply and sales systems and other aspects of the business activities of this Association will be assessed and options for their elimination will be determined (Zhu, 2018). This will increase the efficiency of forming mechanisms for integration interaction of enterprises, taking into account the business environment. This is a synergistic approach to the management of industrial integration associations, as well as to the management of any system (Ricci, 2019). Focusing on the principle of independence of the subjects of integration interaction-production SPDS and determining costs as the main feature in the classification of SPDS by their size-identifying opportunities for cost savings for each of them due to integration interaction can occur by: diversifying the products that it produces; increasing production volumes with a stable number of employees and unchanged production capacity (economies of scale) by improving the quality of management of the integration Association; identification of additional own opportunities – i.e.

hidden reserves due to changes in sources and volumes of financing, the cost of shares; reorganization of the integration structure by forming a business Association; increasing the profitability of a new member of the integration Association will increase the value of the IO itself (Ghura, 2019).

At the same time, corporate overhead costs will be distributed proportionally among the participants of the integration Association (Ghura, 2019). To create an IO, you need a project calculation of the cash flows of all its participants before and after the completion of the integration interaction process. You also need to evaluate their compatibility for functional interaction. At the same time, a large value of the indicator of economic efficiency of the integration Association in comparison with its value for each integrated structure will mean the feasibility of its formation. So, integration Association consists of a group of such systems that are viable, self-organized and self-regulating and operate autonomously (Pankov, 2019).

The ability to attract viable subsystems characterizes the integration Association as a system with the ability to reproduce itself, for which the characteristic feature is the emergence of a synergistic effect – the mutual strengthening of the action of factors. It means full mobility of the integration Association's resources and provides for the possibility of covering the risks that threaten its successful functioning in any of the market sectors. This is what determines the competitive advantages of this IO, creates a high economic potential and determines a stable position in foreign markets (Urbano, 2019).

The integration of SPD is related to the sector of small and medium-sized businesses, large businesses and public authorities. So, the development of integration processes is qualified as a systemic phenomenon (Peris-Ortiz, 2018). Therefore, integration processes in industry are characterized by a large number of heterogeneous connections between economic entities-participants of integration interaction. These business entities are linked by elements of the production cycle or management sphere, which consists in resource support or certain restrictions on their activities (Lortie, 2019).

If common elements are identified in the goal of activity of each of the SPDS-participants of integration interaction-it will be acceptable for all of them, and the object of research will be the integration Association. The integration-oriented business environment will be considered as a set of elements of external and internal influence on this integration Association and will be the subject of a system of integration interaction (Sommer, 2018). It is formed by the features of the external and internal business environment that are characteristic of the current activities and development of SPD and can change the conditions for their formation and functioning. The influence of the IOPS is directed at the object of the integration interaction system-the integration economic Association. At the same time, IO can also be considered as a kind of HMB system, which includes IP entities that integrate. In this case, the subject makes its own decision about the integration interaction, which leads to a change in the object-the integration structure. Taking into account the specifics of the study, we will consider the option of forming an IP system with an object-an integration Association and a subject of influence on it – IOPS, which are also peculiar systems.

The goal of any business entity is to achieve profit. However, despite the restriction of its activities by social norms, the result of the functioning of the integration Association should be an equilibrium of the integration interaction system, that is, a balanced development of the integration Association and acceptable conditions for its functioning, which do not restrict the formation and activities of other SPDS, such as small and medium-sized businesses.

This approach makes it possible to define the mechanism of integration interaction of enterprises as an ordered representation of the object of research relative to the goal. Order in this case consists in purposefully identifying the elements of the mechanism forming the system, establishing their essential features, characteristics of relationships between themselves and with the external environment. The formation of systems allows you to highlight the most important things in the objects of research and ignore the secondary ones. For the analysis of many complex situations, this approach is important in itself, but, as a rule, the construction of the system serves as a prerequisite for the development and implementation of its model. The model is also a formalized representation of the research object relative to the goal.

System integration and interaction, despite its prevalence in the national economy of many countries, acquires also the characteristics of large-scale system, which describes the irreversible nature of the development, i.e. the integral characteristics that define the output "product of the system as a whole, does not decrease in the process of development, while individual elements of the system can develop in different ways; the blurring of boundaries: in the development process composition of the system elements and the nature of their relationship between themselves and the external environment changes significantly; close connection with other large-scale systems and the external environment; complex nature of management, which implies the coordination of industry and territorial interests; significant expenditure of resources and time for development; stability (stability), that is, small deviations in the parameters of the development of individual elements and their relationships do not significantly affect the development of the system as a whole.

Problems of analysis and synthesis of large-scale systems require the development of methods for formalizing their elements and relationships between them. In the methodology of forming large-scale systems, the aggregate-decomposition approach is considered one of the most effective. This methodological approach to the formation of a common system of integration interaction of the SPD provides for the allocation of its individual components. Based on this, in the structure of the system of integration interaction of large and small (medium) business entities, we will distinguish the following components: purpose, tasks; criteria and principles by which the integration Association is formed; objects and subjects of integration interaction; subsystems; input elements (indicators); connections and methods by which all components are combined and form a common system of the mechanism of integration interaction

CONCLUSION

The concept of the business environment is considered from the standpoint of a systematic approach. As a system that is influenced by the business environment, the SPD acts as an object of the integration interaction system. At the same time, the business environment is a higher-order system-it acts as a subject of the IP system, which sets requirements and restrictions in the implementation of economic activities of the SPD. This system consists of a set of components that are characteristic of the integration process. It requires certain principles and methods that determine the regularities and features of the process of its formation.

Therefore, the approach to building the mechanism of integration interaction of enterprises is based on the identification of characteristic elements: goals, objectives, principles and criteria for the formation and methods, models, relationships and performance indicators of its use. They are common to any organizational and legal form of an economic Association of enterprises and the business environment in which this Association operates.

The overall goal of building a mechanism for integration interaction of domestic industrial enterprises will be the formation of an integration economic Association of enterprises that can function on the principles of sustainable development and receive, through the use of the advantages of integration interaction, a constantly growing amount of profit. The purpose of this Association is formed in accordance with the priorities of state policy on the basis of theoretical and empirical research and monitoring of the functioning of business entities operating in priority sectors (including SMEs) and social restrictions (compliance with the principles of sustainable development).

The task of the system of integration interaction of SPD provides for the construction of such effective subsystems: corporate governance, risk management, internal control, accounting, and information support. These tasks are formed according to the resource potential of the integration Association (existing and attracted) and can be specified depending on the assessment of the Association's activities at certain stages of its interaction with integrated structures.

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