

INTERNATIONAL CORPORATE STRATEGIES AND ENTREPRENEURIAL PARADIGMS WITHIN THE FRAMEWORK OF GLOBAL BUSINESS INTEGRATION

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ABSTRACT

Search, product and process, functional and market strategies construction Trans-National Corporation are implemented in the landscape of global business integration. The latest trends in the modification of corporate relations, business processes, entrepreneurial behavior and paradigms, form the competitive advantages of innovative, disruptive and creative strategies and paradigms. However, the problem of implementation of unified criteria of corporate governance, transparency and publicity of construction companies is actualized. The global leadership of construction trans-national corporations is ensured by the constant generation of innovative approaches and strategic paradigms with the formation of network intelligent corporate ecosystems with global information platforms in the digital and social and ecologic business environment. Among the directions and options of digital transformation of the construction business, the highest competitive potential has the Building Information Model (BIM) – digital dynamic description of the full construction cycle – from the development of conceptual design to the disposal of the object.

Keywords: Entrepreneurial Paradigms, Corporative Strategies, Competitive Potential, Market For Construction Services, Transnational Structures.

JEL Classifications: D04, D61, M11.

INTRODUCTION

The integrative role is played by the diversified construction industry, which development provides a ripple effect for the economic growth of the other sectors and spheres for the direct participation in the expended reproduction of fixed assets, infrastructure development, environmental management and energy efficiency, the creation of appropriate conditions for human activity and the deepening of international cooperation in the structure of global economy. Due to the exceptional role and for performing important functions in the market economic system, construction has always been and still remains one of the most attractive and investment-attractive spheres of business, which is characterized by sectional, market and organizational specific natures.

Extensive and dynamic internationalization of construction companies in the second part of the twenties century led to the formation of various types of transnational structures that have become key players in the global market of construction services, closely related to the markets of land, natural resources, real estate, investments.

REVIEW OF PREVIOUS STUDIES

The important feature of the global market for the construction industry is the lack of clear product and geographical boundaries, growing inter-firm interaction, involvement in business processes of small and medium-sized business entities as associate contractors with the provision of specialized traditional and hi tech services.(Rugman, & Verbeke, 2017).

The formation of the global market predetermines the corresponding modification of competitive relations. Generalization of researches allows to define the reasons of globalization of the competitive relations connected with:

scientific and technological progress – qualitative transformations of technologies, the free and rapid movement, digital revolution in information and communications (Sullivan & Gouldson, 2017).

Range of production- saving resources, reducing production and logistics costs (Basu, 2017); da Silva Lopes. (2010);

Unification of consumer demand erasing differences in income levels and social standards, standardization of consumer goods, the formation of homogeneous markets and common consumer assets (Cohen, 2018).

Factor optimization –equalization of the factor costs, interchangeability of energy sources (Epstein, 2018).

Marketing – universalization of the marketing methods and work simplification of distribution channels, global branding (Gerner, 2019); (Jofre, 2011).

Regulatory deregulation – abolishment of tariff and non-tariff restrictions, promotion of international cooperation, recognition and protection of the most efficient sectors (Negus, 2017).

METHODOLOGY

The theoretical basis of the article was formed by the works of leading scientists in the field under study. The author used general-scientific and special methods in the process of solving the tasks: dialectical; historical and logical; scientific abstraction and explication; system-structural analysis of economic processes and phenomena in the course of characterizing the integrative role of construction in the modern economic system, found the factors of the development, assessment of global competition and leadership in market of construction services.

RESULTS AND DISCUSSIONS

The global market of construction services is at formative stage, so companies operates in terms of local trends (local tastes, consumers habits, regulators, etc.) with a global focus on the scale effects, unified consumer demand, standardization of rules, procedures and regulatory norms. However, the global unification and standardization of markets is relatively limited for the construction industry.

Within the framework of more practice-oriented and empirically tested approaches, there are:

Internal-industrial strategies (operational activity: price competition, cost saving and statement of scale effect, rationalization of channels of marketing, innovative competition; positioning: positioning by market segment, positioning by consumer group, positioning by market access;

diversification strategies (development-related diversification, diversification according to customer needs, diversification conglomeration);

transnationalization strategies (resource-oriented strategies, cost-oriented strategies, market-oriented strategies);

The obvious differences between the strategies of multinational and global companies provided in the Table 1.

Table 1		
CHARACTERISTICS OF STRATEGIES OF MULTINATIONAL AND GLOBAL COMPANIES (SYSTEMATIZED BY AUTHORS)		
	Companies	
	Multinational	Global
Sphere of use	Target countries and areas of trade	Wide coverage of countries that are the most important markets for production distribution
Business strategy	According to the terms of each country, a little coordination on time or	Single basis strategy around the world, a small adjustment in individual conditions if it is possible.
Production strategy	Products are focused on local demand	Standardized products in the markets of all markets
Production strategy	Placement of plants in different countries	Location of plants to gain competitive advantages in global markets: in countries with low resource expenses, ensuring minimization of transport expenses, close to major markets or using a small number of large plants to obtain scale economy
Sources of supply	Preference is given to local suppliers	Suppliers from all over the world to minimize expenses
Acceptance	Decentralized	Centralized

Now the conditions and factors of global corporate competitiveness are obviously transforming, when business processes come to the fore that can unite consumers and resources while ensuring efficiency and market flexibility.

Corporate mission, goals, strategies, tasks and directives, internal and external relationships are modified in global corporate management, as a reaction to qualitative transformational changes in key business processes.

In our opinion, the search and motivation of new business – paradigms corporations should be carried out taking into account the new geo-economical, geo-ecological and technological realities and prospects. First of all, we are talking about a global environment with political, market and social uncertainty, and not typical for the last decades of cyclical crisis, when internal and external shocks were countered by anti-crisis corporate management with the involvement of the own, state and external resources to maintain a stable position in the global market. According to perspectives of global competitive leadership is not only productive, but

destructive, ignoring the latest technological challenges, primarily related to the digital transformation of business.

In the construction business, the most time-tested, effective and long-range is the BIM-model – Building Information Model (digital description of the physical and functional properties of the structure, which is a source of knowledge and various data about the object and is fully accessible to participants of the investment process and forms the basis for decision-making in the construction process, from concept formulation to demolition of the building) or Building Information Modeling (creative process of generation and use of data about the structure, the design, construction and operation during the full life cycle). BIM creates the possibility of access to information about the object of all interested participants in the investment-construction process.

The concept of Building Information Management in the modern business environment is identified as a system of organization and control of the investment-construction process by using the parameters of the digital paradigm of the building to organize the exchange of information during the entire investment cycle.

We have summarized qualitative features of the ten most important trends relevant to the BIM technology identified by Property Times.

The introduction of modular constructions (prefab), which help to reduce costs and speed up the construction process, as the building blocks are prepared and assembled before the construction of the object. Long-range is the technology of MEW (mechanics, electrical engineering, water services), which under the terms of the corresponding software will allow MEW-engineers to generate drawings with integrated difficult elements for prefab on the basis of available information in the BIM model.

The use of the internet resource of things that will be able to qualitatively change the work of installers, developers and engineers with the operational collection and processing of relevant information on a specific construction object, to design taking into account the latest changes and existing products that can be delivered economically and on time directly to the construction site.

Entering the environment of virtual and augmented reality (VR and AR) with low-cost and at the same time full-scale 3D-models (special glasses), which contributes to more accurate identification of the project, the effective digital presentation to the customers, opportunities for testing creative solutions.

Expanding the use of BIM instruments with maximum adaptation of BIM programs to the requirements of the end user, depending on the specific needs.

It is transition to the 4D, 5D, 6D BIM technologies. 4D-BIM adds timeline with a visual representation of the construction according to the operating schedule. 5D and 6D –BIM provide for the inclusion in the model of indicators, costs and materials, as well as aesthetic, thermal-insulation and acoustic features, etc.

Transition to mobile cloud applications with real-time processing of construction and design progress data in any spatial location with Internet access.

Using 3D laser scanners and drones to improve the process of BIM modeling, real-time data collection to create more focused BIM models.

Scale 3D printing to create extremely accurate construction elements and prototypes fabrication of prefabricated components with time optimization and material cost minimization.

Integration of BIM into “green” construction in the concept of sustainable development with the effects of optimizing energy costs, reducing CO₂ emissions, etc. Virtual recycling of the construction is possible with minimal efforts and costs.

Order the BIM model as released product or the individual units according to the needs, financial capabilities and consumer preferences. It is important to know about specific nature of the use of digital, in particular BIM models.

RECOMMENDATIONS

We recommend the following possible options for digital transformation of the company based on the positive experience of the most successful trans-national companies: digital restructuring of individual elements of the current business paradigm, building a new purely digital business paradigm, that complements the traditional and works with parallel; abandoning the previous business paradigm and full-scale transition to the digital model-platform.

CONCLUSIONS

The concept of open innovations has become widespread and relevant for trans-national company in the globalized scientific environment, which helps to: identify the innovative potential of people (professionals, researchers, secret service men); mobilize intra-corporate sources of innovations and opportunities for innovative contractors; take into account the scale and depth of the search of innovation in a global context.

In general, the organizational forms of the global construction business are determined by the processes of the integration (horizontal, vertical, mixed), diversification and consolidation (group corporations, pools, multicorporate enterprises, group corporations, syndicates, holdings, strategic alliances), corporate decentralization and democratization (networks, virtual corporations). Business paradigms of transnationalized construction corporations are being transformed accordingly, management concepts are evolving, are being formed new new principles of corporate culture and communication practice.

Dynamic scaling of BIM provides effective optimization of construction processes (20 % savings with 50 % reduction in time) while solving global resource, energy, environmental and social problems. However, it is important to consider the possibilities and limitations of this model based on the identification determinants of the global market of BIM technologies (offer – released product, model, standards), demand - technological readiness, finance, infrastructure).

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