

# FORMATION OF BUSINESS STRUCTURE IN THE CONTEXT OF THE INFLUENCE OF INTEGRATING FACTORS OF THE INTERNAL ENVIRONMENT

**Mykola Denisenko<sup>1</sup>, Zorina Shatska<sup>2</sup>**

<sup>1</sup>Dr.S. (Economics), Professor at the Department of economics and services, Kyiv National University of Technology and Design, Kyiv, Ukraine, e-mail: profden3@gmail.com, ORCID: <https://orcid.org/0000-0001-8767-9762>

<sup>2</sup>Ph.D. (Economics), Associate Professor at the Department of economics and services, Kyiv National University of Technology and Design, Kyiv, Ukraine, e-mail: shatskaya@ukr.net, ORCID: <https://orcid.org/0000-0003-1600-1481>

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**Abstract.** The article is devoted to the study of the influence of environmental factors on the formation and development of business structures as integrated entities. It is proved that to ensure the efficiency of the integration process, the partner companies combine separate internal and external environments, while the integrated external and internal environment of the business structure expands. The creation of the business structure is encouraged by the integration factors of the internal environment, which are proposed to be divided into three groups: system-forming, structure-forming, process-forming. System-forming integration factors of the external and internal environment are such integration factors that influencing enterprises contribute to the implementation of the process of their integration and the formation of the business structure. These include: the level of synergy between enterprises that are integrated into the business structure; growth of value added of the business structure and other factors. Structural integration factors of the external and internal environment contribute to the formation of the structure of the business structure as a static integrated system. Structural integration factors are as follows: the level of readiness of enterprises for integration; the effectiveness of the transformation of units of integrated enterprises and other factors. Process-forming integration factors of the external and internal environment ensure the implementation of integrated business processes at all levels of management of enterprises seeking integration. Process-forming integration factors are as follows: creating the effect of production scale; the level of technology exchange of integrated enterprises and other factors.

**Keywords:** business structure, globalized space, integration, external environment, external factors, internal factors, integration factors.

**JEL Classification:** F01, F02, F15, F63

**Formulas:** 0; **fig.:** 1; **tabl.:** 2; **bibl.:** 11

**Introduction.** The evolutionary development of human society, due to the influence of scientific and technological progress and the constant desire of mankind to achieve a new higher level of prosperity, causes changes and complicates the functioning of markets, both national and regional and macro, which in modern conditions accelerates internationalization and globalization. This, in turn, necessitates the transformation of enterprises to new complex and difficult to predict business conditions, necessitates their integration into more complex integrated structures - business structures. Business structures operate in a dynamic external environment, the impact of which is difficult to predict. Timely monitoring of the external environment, taking into account the impact of its factors will ensure further sustainable development of business structures in a globalized space.

**Literature review.** In the scientific works of domestic researchers the problem of the influence of environmental factors on the formation and development of the business structure as an integrated business structure, not enough attention is paid. Most scientific papers study the influence of external and internal factors on the

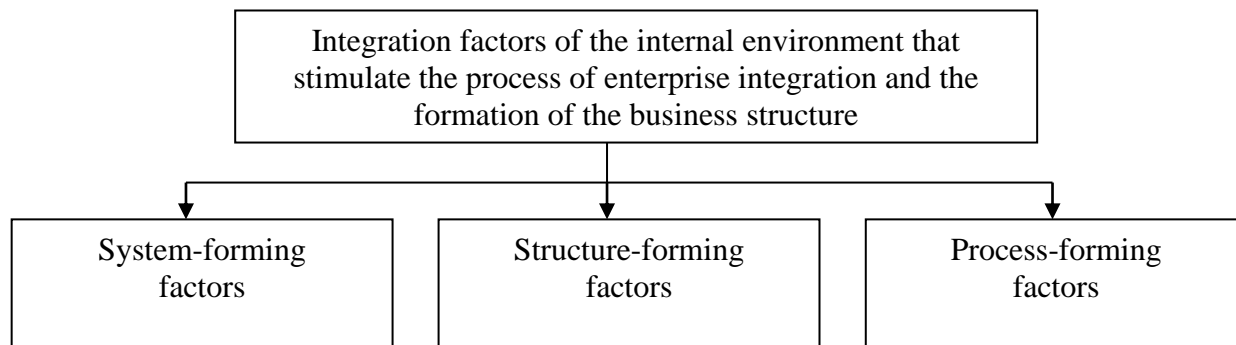
activities of a non-integrated enterprise with their traditional division into factors of mega-, macro-, micro- and internal environment. As integration factors that cause influence on business structures, most researchers consider the factors of European integration as the most significant modern world process. The work of such scientists as: Anufrieva D. [1], Grebelnyk O.P. [2], Zalutska H.Ya. [3], Konstantinova A.A. [8], Kochergina N.V. [4], Kotsko T.A. [5], Lipov V.V. [6], Tkachenko O.O. [7], Fedirko N.V. [8], Chumachenko Yu.S. [9] and others. The study and consideration of the impact of European integration factors on the formation and development of business structures is important and necessary, but this group of factors does not directly affect the activities of business structures, but has an indirect impact. Thus, European integration factors are factors of indirect action in the activities of business structures located in the mega- and macro-environment. To date, the impact of integration factors of direct action on the functioning of business structures, which are insufficiently studied, needs in-depth research.

**Aims.** The aim of the article is to generalize the integration factors of the internal environment of enterprises, which determine the formation of business structures as new integrated subjects of the globalized space.

**Methods.** The main task of the research methodology is the process of cognition and improvement of the system of principles, methods, rules and norms, which are already formed in both foreign and domestic scientific works on the problems of enterprise integration. Based on methodological principles (unity, theory and practice, historical approach to studying the problem, objectivity, comprehensive and systemic approaches), methodological requirements for research, analysis and systematization of factors of enterprise integration, which leads to the formation of business structure. The monographic method was used in the study of published scientific works of foreign and domestic scientists on the factors of enterprise integration and formation of the business structure.

**Results.** The formation of a business structure is a complex process of integration of several enterprises, which takes place in a certain environment. At the same time, each enterprise that seeks to integrate has its own internal environment and operates in the external environment. To ensure the effectiveness of the integration process, partner companies must integrate separate internal and external environments. If the integration process is successful, the business structure gets an integrated internal and integrated external environment, which is more than the separate environments of partner companies. The process of integration of external and internal environments of partner companies is carried out under the influence of various factors of external and internal environment, the influence of which is not suspended if the company merges into a business structure [10, 11]. On the contrary, new, unique integration factors are added to the existing factors of the external and internal environment that influenced the enterprise, the action of which occurs only in the process of enterprise integration and formation of the business structure. Such factors can both stimulate the process of enterprise integration and hinder it. Consider the integration factors of the internal environment in more detail.

Stimulate the process of integration of enterprises and encourage the creation of an entrepreneurial structure integration factors of the internal environment, which we propose to divide into three groups: system-forming, structure-forming, process-forming (Fig. 1).



**Figure 1. Classification of integration factors of the internal environment that stimulate the process of integration of enterprises and the formation of business structure**

*Source: compiled by the authors*

The system-forming factors include the integration factors of the external and internal environment, which, influencing enterprises, contribute to the process of their integration and the formation of the business structure. The influence of these factors involves the separation of those properties of enterprises that are a necessary prerequisite for their integration and the formation of the business structure as a new complex integrated system. Structural integration factors of the external and internal environment contribute to the formation of the structure (organizational structure) of the business structure as a static integrated system. Their influence leads to the need to transform the existing organizational structure of enterprises seeking to integrate, the separation of units to be merged, the elimination of units not involved in the integration process. Process-forming integration factors of the external and internal environment ensure the implementation of integrated business processes at all levels of management of enterprises seeking integration as a dynamic system. Their impact accelerates the integration of production, supply, sales, marketing, financial and organizational business processes between companies seeking to integrate. Internal integration factors that stimulate the process of integration of enterprises and encourage the creation of business structures are systematized in table 1.

The internal integration factors that contribute to the process of enterprise integration and the formation of the business structure include the following:

1. System-forming factors:

– the level of synergy between enterprises that are integrated into the business structure. This factor affects the level of interaction between enterprises in the integration process;

- growth of value added of the business structure. The influence of this factor provides an increase in the value of the business structure compared to the value of enterprises before integration;
- the degree of integration of methods of enterprise management and their relationship to the overall purpose of managing the business structure. Under the influence of this factor, the coordination and interaction of enterprise management systems is ensured.

**Table 1. Internal integration factors that stimulate the process of enterprise integration and encourage the creation of a business structure**

System-forming factors	Structure-forming factors	Process-forming factors
the level of synergy between enterprises that are integrated into the business structure	the level of readiness of enterprises for integration	creating the effect of scale of production
growth of value added of the business structure	efficiency of transformation of divisions of the integrated enterprises	level of technology exchange of integrated enterprises
the degree of integration of enterprise management methods and their relationship to the overall purpose of business structure management	the level of consistency of the mission and goals of the integrated enterprises	opportunities to increase the cost of R&D of integrated enterprises
	availability of an integration plan	expansion of sales channels of integrated enterprises
	availability of integration budget	expansion of production and technological ties of integrated enterprises
	duration of the integration project	
	the level of administrative support for the integration process by the management of the enterprises being integrated	

Source: compiled by the author

## 2. Structure-forming factors:

- the level of readiness of enterprises for integration. The high level of readiness of enterprises for integration ensures the timely formation of the business structure;
- efficiency of transformation of subdivisions of integrated enterprises. The influence of this factor contributes to the formation of the organizational structure of the business structure, the unification of divisions of enterprises, the avoidance of duplication of divisions, the elimination of redundant divisions;
- the level of consistency of the mission and goals of the integrated enterprises. The effect of this factor provides a combination of mission and goals of enterprises seeking to integrate with the mission and objectives of the business structure;

- availability of an integration plan. The development of a plan for the integration of enterprises provides a clear sequence of actions for the formation of the business structure;
- availability of integration budget. The presence of the budget of integration and budgeting of this process provides the business structure with the financial resources necessary for its creation;
- duration of the integration project. Delaying the process of enterprise integration leads to overspending in creating a business structure and, conversely, accelerating the integration process may lead to incomplete integration of enterprises, which will partially remain operating as independent entities;
- the level of administrative support for the integration process by the management of the enterprises being integrated. The influence of this factor ensures the clarity and continuity of management processes for the formation of the business structure by its management.

### 3. Process-forming factors:

- creating the effect of scale of production. The result of the influence of this factor is an increase in production by the business structure and reduce its cost;
- level of technology exchange of integrated enterprises. The exchange of technologies between the integrating enterprises provides an increase in the level of innovative development of the business structure;
- opportunities to increase the cost of R&D of integrated enterprises. Increasing the cost of R&D of integrated enterprises increases the level of innovation activity of the business structure;
- expansion of sales channels of integrated enterprises. The result of the influence of this factor is the expansion of sales opportunities and increase the market share of the business structure;
- expansion of production and technological ties of integrated enterprises. The result of the influence of this factor is the expansion of opportunities for cooperation with suppliers of various resources, increasing the supply area, which ensures uninterrupted supply for the business structure.

**Discussion.** The results of the analysis of the influence of external and internal factors confirmed the conclusion that they have an impact on both the independent enterprise and business structures, the association of enterprises through a special group of factors - integration factors.

**Conclusion.** In the process of integration, the separate internal and external environments of enterprises are merged into one whole, while the integrated external and internal environment of the business structure expands. The creation of the business structure is encouraged by the integration factors of the internal environment, which are proposed to be divided into three groups: system-forming, structure-forming, process-forming.

The scientific novelty of the obtained results is the formation of a system of integration factors of the internal environment of enterprises, which, unlike existing ones, allows in the process of integration of enterprises and formation of business

structure to monitor them in the context of system-forming, structure-forming and process-forming factors.

The practical significance of the obtained results can be used in the process of integration of domestic enterprises to increase the efficiency of the formation of the business structure and as one of the possible strategic directions for further development.

**Author contributions.** The authors contributed equally.

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