

CONCEPTS AND MODELS OF SMALL BUSINESS DEVELOPMENT

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In economic thought, it is possible to distinguish various concepts that form and develop the theory of entrepreneurship. Although the surge of researchers' interest in small business occurred in the 1970s, nevertheless, in earlier works, scientists outlined the features of the structural sectors of entrepreneurship. The study of the literature devoted to this problem allows us to identify six major areas of its research:

- the importance of small business and its specific role in economic development;
- the influence of the external environment on the development of small business;
- personal characteristics of the entrepreneur (individual approach);
- in the context of the theory of utility and rational behavior of an individual in the labor market;
- the influence of culture on the formation of entrepreneurial orientation in society;
- -in the context of the theory of organization and efficiency of production scales.

Since entrepreneurship is a multidimensional phenomenon in the life of our society, these areas contain different approaches. Thus, the ideas of J. Schumpeter played an important role in highlighting the first direction of work [20,1]. He was one of the first to place the figure of an entrepreneur - an economic entity whose functions differ both from the role of a capitalist and a worker at the center of his theoretical system. J. Schumpeter noted that an entrepreneur initially does not have capital and does not sell his labor, but has initiative, the quality of a leader, the ability to take risks. Thanks to such an institution as credit, it mobilizes the factors of production and, having received them at its disposal, carries out innovative activities - implements the achievements of technological progress, finds new needs, sales markets, forms of labor organization, etc. [1-10].

The main part of scientists working in the framework of the theory of entrepreneurship belongs to the adherents of the contextual approach, since they consider entrepreneurship as a response to certain external conditions in a country. At the same time, researchers use various terms to describe a set of conditions that

stimulate or restrain its development, such as “conditions for the development of entrepreneurship”, “prerequisites for the development of entrepreneurship”, “entrepreneurial environment”, “business environment”, among which the concept of “entrepreneurial environment” has found the most frequent application. According to J. Kovin and D. Slevin, this concept is defined in terms of force and elements, which are too many to combine into one specific model [11-20]. The main conclusion reached by all scientists working in this direction can be formulated as follows: economic growth creates conditions that promote entrepreneurship, and economic stagnation, on the contrary, restricts market incentives and reduces the level of capital accumulation. At the same time, the process of economic globalization contributes to the reduction of national barriers and has a positive impact on the global movement of capital. According to the model of A. Minguzzi and R. Passaro the external environment plays a decisive role in increasing the competitiveness of a small enterprise [19-20]. Entrepreneurial success is largely determined by the ability to implement various opportunities of the created business on the market in a timely manner. In particular, he must be able to benefit from the network of relations between the enterprise and the market. A pronounced tendency of an entrepreneur to learn should help him to react quickly and adapt to possible changes in the external environment.

According to the model of T. Meng, T. Lau, K. Chan, an entrepreneur must perform three tasks to increase the competitiveness of an enterprise. The first task of an entrepreneur is to recognize competitive opportunities, for the implementation of which he is obliged to maximize such abilities as identifying opportunities, establishing communication and a common vision. The second task is to form a team at the enterprise that unites employees who are able to work smoothly, introduce innovations and create a positive reputation. The ability to establish connections, organize and a common vision should help the entrepreneur in this. The third task is to ensure the functioning of the enterprise. Thus, clearly defined goals and activities contribute to achieving long-term competitiveness. Focusing on taking a strong position in the market requires the introduction of strategic planning. However, the process of strategic planning is unthinkable without the entrepreneurial ability to think strategically. The authors of the model consider the entrepreneurial abilities and competitiveness of small businesses in the relationship. In their opinion, an entrepreneur is obliged to monitor opportunities, be able to identify and use them. It should be added that with the growth of the size of the enterprise, the management of competitiveness becomes more complicated. At certain stages of the enterprise's life cycle, the company's competitiveness policy may also be different. Therefore, in this approach, the external environment plays an important role in the development of small business. Taking into account the fact that environmental factors are diverse, they can affect both individually and in combination. Under these conditions, only competitive enterprises are able to survive and function effectively in the market, in the natural environment of entrepreneurship.

Various conceptual approaches contribute to the development of theory, which, in turn, serves as the basis for the development of practical models. In the world practice, there are several models of the development of small enterprises. Models of the business climate, economic downturn and income growth of the population are built

taking into account the influence of environmental factors on the formation and development of private entrepreneurship. Countries with developed, developing and transition economies are characterized by different socio-economic conditions. Depending on these conditions and the priority directions of state economic policy, the levels and dynamics of small business development differ in these groups of countries. In accordance with this provision, the business climate model explains the emergence of small enterprises by a combination of factors such as a flexible employment policy, low costs for production factors, preferential local taxation, support from the authorities, etc.

The business climate model is a kind of special conditions purposefully created for the successful development of a certain type of entrepreneurial activity in a particular branch (sector) of the economy or in the national economy as a whole. It is obvious that the model assumes the construction of institutional entities in the form of foreign trade zones, entrepreneurial zones, technology parks, business incubators.

The success of various institutional formations in the development of small business has influenced their spread in the countries of Asia and Africa, where there are more than 200 zones of externally oriented manufacturing industry, which is 84% of the total number of such zones around the world. There are five special economic zones in China, about 50 open cities, dozens of free trade areas, the development of new equipment and high technologies, the development of tourism, where the bulk of competitive goods are produced.

Foreign trade zones are limited areas of the national territory, within which a preferential regime of economic, including foreign economic, activities is established in comparison with the general one. In other words, it is a trade or trade and production zone, which, while remaining part of the national territory, is considered from the point of view of the customs, budget, tax and financial regime as being located outside the state border, a whole system of benefits for small enterprises, operates within it [12-16]. Entrepreneurial zones have emerged as a type of manifestation of regional policy aimed at reviving small and medium-sized businesses in depressed areas, mainly urban, by providing entrepreneurs with greater freedom of activity and significant financial benefits. Three principles are implemented in these zones: deregulation, de-fiscalization and de-bureaucratization. The main conditions for their formation are: location in depressed areas of large cities with the highest unemployment rate; validity period from 7 to 20 years. The zones fulfill the task of solving internal economic problems by relying on local capital and labor.

Technology parks are an effective form of integration of science and production, a place for the deployment of innovative activities and the creation of venture firms engaged in the development of new technologies. The tasks of technoparks include: – support of modern technological promising projects and programs; -selection of promising projects from the point of view of their significance for the region; -creation of internal infrastructure that allows implementing the idea; -providing comprehensive assistance in the field of marketing and management; -international consulting and attracting investment through the creation of a venture fund.

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SOME FEATURES OF THE DEVELOPMENT OF A BUSINESS PLAN FOR SMALL BUSINESSES

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In modern market relations, competent planning of the economic activity of entrepreneurial organizations is an important prerequisite for their development, ensuring the effective distribution and consumption of production resources. Business planning, performs a number of important functions in the system of entrepreneurial activity, among which the following are of the greatest importance: 1. Initiation – activation, stimulation and motivation of planned actions, projects and transactions. 2. Forecasting is the foresight and justification of the desired state of the company in the process of analyzing and taking into account a set of factors. 3. Optimization – ensuring the choice of an acceptable and best option for the development of an enterprise in a specific socio-economic environment. 4. Coordination and integration-taking into account the interrelation and interdependence of all structural divisions of companies with their orientation to a single overall result. 5. Management security-providing information about possible risks for the timely adoption of proactive measures to reduce or prevent negative consequences. 6. Ordering - creating a single general order for successful work and responsibility. 7. Control - the ability to quickly track the implementation of the plan, identify errors and possible adjustments to it. 8. Education and training – the favorable impact of samples of rationally planned actions on the behavior of employees and the possibility of teaching them, including on mistakes. 9. Documentation - presentation of actions in a documentary form, which can be proof of successful or erroneous actions of the company's managers.