

## **REGIONAL ASPECTS OF MANAGEMENT OF TRADE ENTERPRISES**

The article is devoted to research of modern scientific approaches to the understanding of regional aspects of management of trade enterprises. The expediency of application of functional and structural approach for creation and development of the regional trade complex is substantiated.

*Keywords: region, trade, management, regional management.*

## **РЕГІОНАЛЬНІ АСПЕКТИ МЕНЕДЖМЕНТУ ТОРГОВЕЛЬНИХ ПІДПРИЄМСТВ**

Стаття присвячена дослідженню сучасних наукових підходів до розуміння регіональних аспектів менеджменту торговельних підприємств. Обґрунтовано доцільність застосування функціонально-структурного підходу для створення і розвитку регіонального торговельного комплексу.

*Ключові слова: регіон, торгівля, менеджмент, регіональний менеджмент.*

Transformation processes taking place in Ukraine require solving problems of further development of the country's economy by defining the strategic goals of economic policy. It is obvious that at the same time, regional features should be intensified, while simultaneously reducing existing territorial disparities. At the same time, an important moment in shaping economic policy regarding the definition of prospects for development and the creation of prerequisites for improving the efficiency of regional reproduction is the definition of the main approaches to the management of enterprises in the sphere of trade as a component of the regional economic system.

The recent interest in the regional aspects of the management of trade enterprises is due to the fact that almost all of the previous period of its existence, our country implemented investment programs for trade development based on a sectoral approach. At the same time, normative acts of mainly departmental appointments were used, which in fact were not consistent with the regional problems of management of trade enterprises and did not meet the real needs of the territory. At the same time, the aggregate level of development of the region's trade complex and the prospective need for it were determined in practice by summing up the

investment programs of individual departments, which were generally not coordinated with the real need of the region. The criteria and justified norms of the development of trade complexes of the regions and the results of their influence on the region's economy are not available yet. To a certain extent, this is due to the complexity of assessing the socio-economic effects of the regional management of trade enterprises on the functioning of territorial entities.

The theoretical studies of some aspects of regional management took place in the previous period, in particular, in the works of such scientists as M. Kovalenko, N. Krugl, S. Melnyk, T. Mironov, D. Stechenko and others. But for the most part, their research concerned economic laws of the territorial organization of social production, the peculiarities of the formation of sectoral, functional and socio-demographic structures of the region, the development of theoretical and methodological provisions on forecasting and planning of socio-economic development of territories. However, it is impossible not to mention the depth of development of regional problems by these researchers and their concern about its actual state.

In the current economic situation, which is increasingly characterized by increased competition in the market and exacerbation of the company's survival, the conditions for ensuring the support of the dynamic development of a trading company, firstly, require effective innovations to ensure qualitative changes in internal processes<sup>1</sup>. To date, the methodical basis of regional management of trade enterprises, in particular regional standards and indicators of the development of the trade complex in full and assortment composition is not calculated by anyone, which deprives the regional planning of those objective criteria, which it could be guided by in its activities on the development of the commercial complex the region.

Regional management of trading enterprises in practice can be applied by implementing various measures, the main of which is the creation and development of a regional shopping complex.

There are many problems with the creation and development of a regional trading complex, as well as in any field of activity. They are to a certain extent characteristic of various, small and large regions, both administrative, and economic and geopolitical. In particular, the low profitability of the trade sphere limits the development of the domestic market, the purchasing power of the population and makes extremely low demand for all types of goods, except for agricultural products<sup>2</sup>.

In particular, for Ukraine as a whole and its regions, it is characteristic that the state directs the bulk of funds to investments in the social sphere. At the expense of budget funds, those elements are financed, which for private capital are unattractive due to various factors. Much of these activities are extremely capital intensive, provide payback for a long period of time, so the share of public participation in such infrastructure programs is traditionally high. This, of

<sup>1</sup> Filippov V.Y., Nestorenko A.M. (2014). Shlyahy rozvytku torgovelnih pidpriemstv. *Ekonomika: realii chasu. Naukovyyzhurnal [Economics: realities of time. Scientific Journal]*. Vol. 2 (12), p. 203. (inUkr.).

<sup>2</sup> Makkonell K.R., Bru S.L. (2003). *Ekonomiks: pryntsyipy, problemyipolityka [Economics: Principles, Problems and Politics]*, IN-FRA-M, Moskva, p. 895. (in Russ.)

course, leads to a lack of funds for the development of other components of the region's economy. Thus, there is a need for the formation of investment flows into the infrastructure of the regions by the state, thus creating the preconditions for inflow of investments into the trading and manufacturing sectors. After all, state investments in infrastructure and private capital, sent to enterprises of trade in the region mutually complement each other. Investments in the construction of new freeways stimulate private investment in new retail outlets located along these freeways. Shopping centers, which are built by local authorities, attract both large and small trade enterprises. That is why it can be argued that the slowdown of infrastructure growth due to the reduction of its state funding is one of the most important reasons for the decline of private investment in the trading sphere.

Problems and barriers in the sphere of investment activity should be solved, given their priority and acuteness in the current conditions and, accordingly, the determined priority directions of influence form the measures aimed at achieving the stated goal<sup>3</sup>. Under the conditions of the underdeveloped market in Ukraine, the reduction of economic incentives aimed at intensifying investments in the region's trade, with a slight increase in current revenues to the state budget leads to significant losses, therefore it is necessary to expand and update tax incentives<sup>4</sup>.

We agree that the main directions of formation of investment resources of enterprises of trade should be joint actions of business entities, institutions of market and financial-credit, investment infrastructure and authorities aimed at accumulation of own funds, qualitative growth of availability of external sources of financing and simplification and a decrease in the level of cost-effectiveness of passage of permitting and conciliation procedures in state control bodies related to investment activities<sup>5</sup>.

At the same time, the theoretical developments of possible approaches to understanding the regional aspects of management of trade enterprises can distinguish two aspects of its formation, which differ considerably from one another – the branch, already sufficiently realized throughout the economic space of Ukraine, and functional-structural, in fact, not yet implemented as in methodological and practical terms.

The features of regional management of trade enterprises determine, in our opinion, the need to create and operate a two-tier distribution system that implements the functional and structural principle of its organization.

In the sphere of trade, a two-tier distribution system implies, first, the existence of an extensive network of retail stores for goods with a minimum of inventories. The second important direction is the creation in the regions of wholesale collectors – compensators of retail trade,

<sup>3</sup> Yarosh U.O. (2016). Rozpodil investytsiy zasotsial'no-ekonomichnyy rayonamy Ukrainy. Naukovyy visnyk Uzhgorodskogo natsional'nogo universytetu [*Scientific herald of Uzhgorod National University*], Vol. 10, Ch. 2, p. 151. (in Ukr.)

<sup>4</sup> Svyatots'kyi O.D., Krayne P.P., Revuts'kyi S.F. (2003). Pravove zabezpechennya innovatsiy noyidiyal'nosti v Ukraini: pytannya teoriyi i praktyky [Legal support of innovation activity in Ukraine: issues of theory and practice]. Vidavnychyy Dim «In Yure», Kyiv, p. 70. (in Ukr.)

<sup>5</sup> Orlyk I.O. (2014). Chynnykyaktyvizatsiyi investytsiy noyidiyal'nostipidpriemstvrozdribnoyitorgivliv Ukraini v innovatsiy nisferi. *Visnik Hmel'nyts'kogo natsional'nogo universytetu* [*Herald of Hmelnytskyi national university*], Vol. 3 (212), T. 2., p. 124. (in Ukr.)

which ensure the continuity of commodity flows and concentrate the corresponding commodity weight on various indicators - range, quantity, etc.

The necessity of studying regional aspects of management of trade enterprises from the point of view of functional and structural approach is confirmed by the fact that market conditions predetermine significant changes in the methodology and practice of functioning of the trading region of the region, in particular, in the structure of retail trade in the region, the volume of the state system of sales of goods has practically decreased to a minimum and sales volumes of non-state forms of trade increased. The volume of retail turnover of enterprises, the main type of economic activity of which is retail trade, in 2017 amounted to UAH 7194.0 million, which is 2.6% more than in 2016 in comparable prices. In the retail turnover of retail enterprises, the share of sales of non-food products prevailed. In 2017 their share was 76.3% or 5487.5 million UAH, which is 6.6% higher than in 2016 in comparable prices. The volume of sales of food products in comparable prices decreased by 8.4% and amounted to 1706.5 million UAH<sup>6</sup>. The commodity structure of the retail turnover of retail enterprises of the Chernivtsi region in 2017 is reflected in Table 1.

**Table 1.** Commodity structure of retail turnover of enterprises Retail trade of Chernivtsi region in 2017

	Retail income in 2017, mln. UAH	Specific gravity, in% to the total	The index of physical volume of retail trade turnover of enterprises (in comparable prices) in 2017 by 2016,%
Total	7194,0	100,0	102,6
Groceries	1706,5	23,7	91,6
Non-food goods	5487,5	76,3	106,6

Source: Obsyag ta strukturarozdribnogotovaroorobotupidpriemstvrozdribnoyitorgivliChernivets'koyioblasti u 2017 rotsi : Ekspres-vypusk. Available at: [www.cv.ukrstat.gov.ua](http://www.cv.ukrstat.gov.ua) (Accessed 25 Mar 2018) (in Ukr.).

Today the role of the state is re-thinking in Ukraine, the ways of its influence on socio-economic processes change, instead of policy-making, indirect regulatory tools are being developed<sup>7</sup>. Implementation of the functional and structural approach in regional management of trade enterprises, the necessity of which is confirmed by the given data, requires compliance with a number of the following conditions:

- initiative, regulatory and stimulating participation of the regional administration in the formation of the regional trade complex;
- determination of the required volumes of investments and attraction of capital;

<sup>6</sup> ObsyagtastrukturarozdribnogotovaroorobotupidpriemstvrozdribnoyitorgivliChernivets'koyioblasti u 2017 rotsi :Ekspres-vypusk. Available at: [www.cv.ukrstat.gov.ua](http://www.cv.ukrstat.gov.ua) (Accessed 25 Mar 2018). (inUkr.).

<sup>7</sup> Butyr'ska, I. (2009). Osoblyvostiformuvannyaderzhavnoyiinnovatsiynoyipolityky. *Honors high school. Materialy za 5-a mezhdunarodna nauchna praktichna konferentsiya. Ikonomiki. Zakon. Filosofiya. Sofiya [HonorsHigh School: Materials for the 5th International Scientific Practical Conference. Economics Law. Philosophy]*. Vol 3. «Byal GRAD-BG» OOD, Sofia, p.44-45. (in Ukr.).

- development of the program for the development of the regional trade complex, based on the definition of the minimum ratio of types, types and quantities of its elements in the regional complex and their territorial location;
- comprehensive consideration of all factors necessary for the development of trade in the region and affect the creation of its regional components (economic, ecological-geographical, organizational, etc.).

This approach will make it possible to make the right decisions regarding the formation of a regional management policy for trading enterprises, bearing in mind that the development of a trading complex should take place at a faster pace than other components of the economy, as it creates real prerequisites for expanding the boundaries of the competitive environment and the dynamic development of the economy as separate regions, and the country as a whole.

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