

INSTRUMENTAL CAPACITY OF INTERNATIONAL BUSINESS IN MODERN CONDITIONS

Georgii Logvynskyi¹

Abstract. The present study examines the institutional and instrumental capacity of international business in modern conditions. The *purpose* of the research is to identify and highlight the key institutional capabilities of the modern economy and the tools that can be used. *Methodology.* The study used general and special methods of scientific inquiry, including systems analysis, dialectical method, formal-logical method, structural-functional method, and various empirical methods. *Results.* The dynamics of new forms of international business functioning are established, characterised by features such as: a) virtual forms of operation (including through business platforms); application of modern technologies as the basis of functioning (including software, artificial intelligence); implementation of global and rapid networking via the Internet, etc. The instrumental capacity of international business in modern conditions is analysed, with a focus on Ukraine. The analysis identifies several key factors that necessitate the establishment of business platforms in Ukraine as instruments to achieve synergy in international business integration. These factors include globalisation processes, technological progress, integration, the need for legislative unification, the full-scale invasion of Ukraine by the Russian Federation, resource conservation, and economic growth. The paper identifies stakeholders that contribute to business development. It is noted the role of higher education institutions and civil society in business processes. The importance of academic partnerships and incubation programmes in business integration and co-operation is substantiated.

Keywords: international business, martial law, business structure, development strategy, marketing, accelerators, academic partnership, incubation programme, investment, relocation, business integration, co-operation, stakeholders, business values.

JEL Classification: F23, M21, M31, E22

1. Introduction

For a considerable period, diasporas and representatives of religious communities have played a pivotal role in the development of interstate relations, functioning as distinctive conduits of international relations and international co-operation. To illustrate this point, one need look no further than the global Jewish community. This community is not merely an all-encompassing union on which charitable assistance projects are developed; it also serves as a stable form of development of the State of Israel and a centre for monitoring and protecting rights and mechanisms of mutual adaptation. This form of interstate co-operation is widespread. For instance, in numerous European countries, including France, there are sizeable Muslim communities that, in essence, function as centres of geopolitics. Concurrently, certain nations advocate for the notion of dual or multiple citizenship, a practice exemplified by Hungary, Romania, and others, leading to the establishment of diasporas that function as

pivotal integration platforms. Most religions have a variety of denominations that aim both to recruit new members in a missionary way and to attract adherents of religious views, as well as to develop certain common national ideas together with people who share such views, although they may not belong to the same faith. An example of such active activity is the worldwide Chabad movement, led by the spiritual leader of many generations, the Lubavitcher Rebbe (Menachem Mendel Schneerson), whose mission was to send emissaries of this movement to the remotest points of the globe to spread ideas and conduct spiritual activities. Despite the fact that the spiritual leader of Chabad passed away over 30 years ago, this movement continues to be of fundamental importance. Indeed, the adage "Wherever there is Coca Cola, there is Chabad" is perhaps not without foundation. The network created by the spiritual leader is a prime example of spiritual assistance, as well as a conductor of platforms that allow the development of cultural

¹ International Project Manager, Attorney, Human Rights Defender, Ukraine
ORCID: <https://orcid.org/0000-0003-0171-5609>



and spiritual interests and values, and examples of the implementation of tasks of international platforms. Every year, this organisation holds a Congress of Emissaries, inviting well-known speakers who have the honour of addressing the participants of the Congress only once in their lives. I was honoured to be a speaker at the Congress, which gave me the opportunity to understand the value of religion and truth in the existence of forgotten corners of the world of lies.

At the same time, it should be noted that globalisation processes, scientific and technological progress and internationalisation lead to the scaling up of relevant social processes, resulting in the formation of new forms and institutions. This also applies to international business and influences its general development trends. Multinational companies continue to expand actively in the international space, increasingly using powerful tools and establishing new forms of co-operation.

Simultaneously, states generally facilitate these processes, particularly the entry of international businesses into their markets. This is intended to contribute to the country's economic growth and to help address domestic social and other issues. At the same time, international business strives for autonomy and independence, choosing possible forms of operation based on this, and uniting with others to achieve common goals.

In the context of global markets, the primary competitive dynamic is not necessarily between goods and services, but rather between diverse business models. Technologies themselves are not inherently valuable; their value is determined by the business models that facilitate their introduction to the market. Innovations in business organisation and management are thus considered the primary strategic instruments in the competitive struggle of multinational companies (Onishchenko, 2015).

There is a dynamic development of new forms of international business functioning, characterised by such features as: a) virtual forms of operation (including through business platforms); application of modern technologies as a basis of functioning (including software, artificial intelligence); implementation of global and rapid networking via the Internet, etc.

The main criteria for classifying traditional forms as new can be: the presence of "quasi-investments", e-presence, an increasing role of science, knowledge, information and diffusion of innovations. The determinants of the transformation of international business forms are globalisation, the intensification of internationalisation processes, scientific and technological progress, international competition, changes in consumption patterns in different countries and socio-cultural parameters.

Traditional and new forms of international business are quite mobile, interconnected and complementary (Prushkivska, 2019; 119).

Business integration enables organisations to optimise their work and resources, improve communication and speed up decision-making processes. In an era of increasing focus on equality, diversity and inclusion, business integration is key to promoting these values within organisations (Parihar, 2024).

A further factor in the pertinence of this research is the legal regime of martial law in Ukraine, which obliges national entrepreneurs to collaborate more proactively with foreign partners and to seek novel instruments for their operations. In general, this research direction is both urgent and significant for both practice and science.

The doctrinal basis for substantiating the concept of international business integration is formed by works of various directions, taking into account previous developments on the impact of globalisation on business structures, where cross-border relations and the phenomenology of globalisation are components of the political and economic security of the state (Logvynskyi, 2024).

2. Values as a Basic Element of Instrumental Capacity in Business

Business capabilities describe the ability of an organisation to do or change something that helps achieve a business goal or objective. Capabilities can be measured against performance indicators and associated risks to identify specific performance gaps and prioritise investments.

Business capability analysis provides a framework for scoping and planning by building a shared understanding of outcomes, determining alignment with strategy, and providing a filter for scoping and prioritisation (Zosym, 2023).

The instrumental capacity of international business, in a broad sense, can encompass all possible means, tools, technologies, principles, methods, and concepts used in business and designed to ensure efficient, profitable, and rational business functioning.

Capabilities add value by increasing or protecting revenue, reducing or preventing costs, improving service, achieving compliance or positioning the business for the future. Not all capabilities have the same value. Various tools can be used to make value explicit in capability assessment (Zosym, 2023).

Values serve as a fundamental and effective element of the instrumental content of international business.

Corporate values, or "business values", can be characterised by their essential characteristics, namely 1) they are fundamental principles that give special value to the company's activities; 2) they shape the

company's culture and determine which actions and decisions are prioritised; 3) they guide the company's internal actions; 4) they serve as criteria by which the company's external brand is evaluated; 5) they reflect the mission, strategy, team and customer impressions.

The following discussion will examine the types of values using examples of international companies and their core values. For example, Google's core value is integrity, enshrined in the Google Code of Conduct and disclosed as a commitment to adhere to the highest standards of business conduct. Amazon's value is customer focus, which is manifested in the initiatives implemented in its operations (in particular, the policy of quick and easy return of goods). For Apple, the main value is innovation. The company constantly takes measures to maintain a culture of improvement and attract the best specialists. Microsoft sees its core value in empowerment, trying to create opportunities for everyone to achieve more – whether through productivity software, philanthropic initiatives, or promoting the democratization of technology.

Patagonia defines its value in terms of eco-friendliness and sustainability; Nike in community; Spotify in flexibility. Obviously, this is not an exhaustive list of business values from leading international companies (Company Mission and Values).

It is important to note that corporate values should meet certain criteria, including: 1) authenticity, which aims to reflect the brand identity and understanding of the company's mission and culture; 2) clarity; 3) relevance, which means that the values correspond to the problems and challenges faced by the company; 4) practicality, which is embodied by the translation of the values into business strategy and practical activities; 5) inclusiveness; 6) flexibility; 7) durability; 8) consistency, which is demonstrated by the alignment of the values with other elements of the organisation's strategy.

In this way, corporate values demonstrate the uniqueness and diversity of activities in international business, enable innovation, meet the needs of target audiences and shape corporate culture. It remains crucial for companies not only to identify and adhere to their own values, but also to develop an effective mechanism for realising these core business values.

3. Value in Business: Identifying Forms and Factors of Influence

Value in business can take both tangible and intangible forms. For example, there may be businesses whose value is virtually impossible to determine or may not exist at all. An example is the creation of a gaming business that has gained popularity. The founder may receive a profit of 100,000 USD per month, while such a business has no real tangible value.

In this respect, the value of a business may be real and reflected in the existence of relevant assets with tangible characteristics and monetary value (e.g., equipment, premises, vehicles, other assets) or it may be manifested in intangible forms and assets (e.g., brand, business history required for obtaining grants, business reputation, licences, permits, etc.).

The value of a business is directly related to its cost and can increase depending on a number of intangible factors. For example, the human factor (in the case of well-known, qualified individuals with an impeccable reputation, unique experience, and qualifications being members of the board or regulatory bodies); high recognition (particularly if the business is well-known, has been operating for many years, and has a strong brand).

The value of the business and its investment attractiveness may also be affected by the results of an audit by an independent company included in the Big Four. Furthermore, lending under state or international grant programmes, or the implementation of grant programmes, has been demonstrated to have a significant impact on value.

Grants for business, otherwise referred to as "grants", involve the provision of non-repayable financial assistance with a view to the development of startups, small and medium-sized businesses. These funds are allocated on a competitive basis by government agencies, charitable foundations, private companies, or international organisations. For example, Ukraine has implemented the state grant programme "eRobota", which provides for five types of grants: for the development of own business (up to UAH 250,000); for the development of horticulture, berry cultivation and viticulture (up to 400,000 UAH per hectare); for the development of greenhouse cultivation (up to 7 million UAH depending on the number of hectares); for the creation or development of a processing enterprise (up to 8 million UAH); for the creation or development of a veteran enterprise (up to 1 million UAH). There are also USAID grant programmes, the Lars Sejer Christensen Danish Investment Fund programme and many others (Grants for business: how to get funding for the development of your business, 2023).

These programmes set out relevant requirements for companies and evaluation criteria that must be met in order to receive government funding. If a company receives government grants or has previously received grants from an international fund, it confirms that it meets the criteria of reliability, safety and legitimacy. It is also a sign of confidence for international investors. Often, companies receive funding from both the government and international donors through grant programmes.

This is particularly important in times of martial law. Investors and funds conduct thorough due

diligence because they want to work with proven companies that have experience and a high level of trust. When a well-known international fund becomes an investor in a business, it also increases the value of that business.

A relatively new criterion is the company's relationship with the aggressor country and its neighbouring countries. In addition, a positive business reputation, which excludes negative reviews, no disputes with the state and/or citizens and no tax arrears, adds value to a company.

The analysis of the need for patents, licences, registration of intellectual property rights and research is of great importance. Marketing research, for example, aims to study competitors, key players in the market for these services or goods, and examine their main strengths and weaknesses. New opportunities can be gained by working with accelerators, which provide training programmes and mentoring for entrepreneurs over a period of time in exchange for part of the business or on other terms. As a result, the entrepreneur gains the necessary knowledge, recognition and contacts for further project development (in particular, access to new markets such as the EU and the USA through co-operation with companies, attracting financing, investment, etc.).

Accelerators are primarily designed for startups as programmes to help them grow. The task of accelerators is to provide startups with knowledge, tools and qualified mentors to develop and research ideas, minimise mistakes in implementation (Petrenko, 2023). They also explore the most important aspects of attracting investment into the business. They help to transform minimal business projects into companies that reach the international level.

In view of the multi-sectoral character of accelerator activities, it is proposed that a categorisation system be established. Accelerators are capable of operating at both national and international levels. Types of accelerators by thematic focus can be systematised into: 1) those working in the fields of artificial intelligence, machine learning, robotics, Internet of Things, blockchain, virtual and augmented reality, big data, computer vision (e.g., Sector X); 2) those designed for IoT startups (e.g., IoT Hub); 3) those of a corporate nature, bringing together companies and innovative startups (e.g., Radar Tech); 4) those related to educational technologies, digital marketing, projects at the intersection of technology and gastronomy (e.g., Centre for Entrepreneurship at the Ukrainian Catholic University, Propeller Venture Accelerator), and so forth (Sporysh, 2019).

With regard to acceleration programmes, these can be categorised into the following types: 1) incubation programmes typically involve teams residing in a designated location where they are provided with

workspace, tools, and services. It is possible to come to the incubator with an idea, even without an MVP (minimum viable product); 2) pre-acceleration programs can be held both live and online or in a hybrid format. They exist for those who already have an idea and initial developments with an MVP, but have not yet validated the problem in the market, studied the client, or checked the viability of their project; 3) acceleration programs are similar in their specifics to pre-acceleration programs, but are designed for teams that have already entered the market with a minimum viable product, attracted their first customers, and are ready to improve and scale.

Each type of acceleration program has its own peculiarities, which are primarily manifested in the different duration and approaches to teams at different stages.

In general, accelerators, along with international foundations, higher education institutions, expert centres and other non-governmental organisations, are business stakeholders that contribute to its development. They play an important role in academic partnerships, business integration and incubation programmes.

Currently, there is a need to create holistic ecosystems in Ukraine, which can complete the entire startup cycle: from idea to investment, which is already common in European and US markets. The final stage in such ecosystems should be investment funds capable of investing in the most successful projects of Ukrainian founders (Petrenko, 2023).

Another tool to increase the value of a business can be its relocation. In the business world, relocation has become an integral part of companies' strategic development. This topic is especially relevant for Ukrainian entrepreneurs in the current challenging political and economic environment. However, relocating a business abroad requires careful analysis, strategic planning and consideration of many factors (The procedure for relocation of Ukrainian business abroad, 2024).

The word "relocation" means "moving". Business relocation means moving assets, facilities and employees to another location (country or region). In the pre-war era, relocation was used to expand markets, scale up companies, or find more favourable working conditions. Today, Ukraine has developed national and international business relocation programmes (Business Relocation Program: What Entrepreneurs Need to Know, 2023).

The main objective of business relocation is to create more favourable conditions for business, to increase its competitiveness and efficiency. A company should consider many factors, including tax and legal aspects, availability of resources and infrastructure, as well as potential risks and obstacles it may

face in the relocation process, in order to achieve the most favourable conditions for further development (The procedure for relocation of Ukrainian business abroad, 2024).

Relocation allows companies to scale up, expand their customer base, find more optimal and comfortable operating conditions, increase profits, etc. An example of a successful relocation is the Ukrainian startup Grammarly & PetCube, which was able to increase the value of its business many times over by relocating.

It is evident that a business with a wide range of values is preferable. Collectively, these values have a positive impact on the investment climate, as potential investors are given a preliminary impression that such a firm can be trusted, that a company with human resources will develop effectively and provide strategic management.

In order to increase the institutional value of a company, a specific corporate structure is envisaged, business plans and development strategies are drawn up, marketing methods and research are used, international best practices and artificial intelligence are applied, specialists are hired, brand books are developed and advanced technologies are introduced.

Attention should also be paid to creating the most favourable conditions for business, especially under martial law, by involving the public in the legislative process and taking an active position by joining or creating public associations aimed at protecting the rights and interests of the business community. This is necessary to avoid situations where the state creates conditions for business that are difficult or even impossible to meet, especially for businesses with a short operating history.

To illustrate this point, it is pertinent to consider the context of the agribusiness sector, wherein amendments were introduced to legislation pertaining to the execution of foreign economic operations for the export of specific goods. On October 31, 2023, the Cabinet of Ministers of Ukraine approved Resolution No. 1132 "On Implementation of the Pilot Project on Verification of Agricultural Entities under Martial Law" (The Resolution of the Cabinet of Ministers of Ukraine "On Implementation of the Pilot Project on Verification of Agricultural Entities under Martial Law", 2023).

The export of agricultural products necessitated verification in the Unified State Register. The list of verified agribusiness entities includes, free of charge, entities registered in the State Agrarian Register, having acquired user status, and meeting specific criteria related to VAT registration, absence of tax debt, and previous export history.

The establishment of such criteria effectively closed access to the international market for agribusinesses registered in the last two years.

The issue of the monetary valuation of private sector businesses to be sold and the formalisation of sales also needs to be addressed. No single methodology or formula (or even criteria) for determining the monetary value of a business has been developed at the state level, which leads to uncontrollable resources. The only factors that can be taken into account when valuing a business for sale are the size of the authorised capital and the assets. However, the charter may not actually be backed by material resources or may not reflect reality. This issue is currently not sufficiently addressed in national legislation.

The legal re-registration of a business is typically executed from the previous proprietor to a new proprietor, with the settlement being conducted between the respective vendor and purchaser on a contractual basis in cash or alternative assets. Nevertheless, the sale of a business constitutes a monetary transaction that ought to be subject to taxation or, at the very least, oversight by the relevant state authorities. Consequently, this issue necessitates legislative regulation.

4. Conclusions

The study identified a system of criteria that should guide business values, including: 1) authenticity; 2) clarity; 3) relevance; 4) practicality; 5) inclusiveness; 6) flexibility; 7) durability; 8) consistency.

It is noted that corporate values demonstrate the uniqueness and diversity of activities in international business, enable innovation, meet the needs of target audiences and shape corporate culture. Attention is drawn to the importance for companies of developing an effective mechanism for realising core business values.

A range of stakeholders have been identified as contributing to business development. These stakeholders include accelerators, international funds, higher education institutions, expert centres, and other non-governmental organisations.

It is established that the value of a business may be real and reflected in the availability of relevant assets which have tangible features and monetary value (in particular equipment, premises, vehicles, other assets) or may be manifested in intangible form and assets (in particular a brand, business history necessary for obtaining grants, business reputation, availability of licences, permits, etc.).

A range of indicators that have the capacity to influence the valuation of a business entity and augment its investment attractiveness are identified and delineated.

It is noteworthy that a relatively novel criterion has been introduced, which involves the evaluation of a business's affiliation with the aggressor country and/or associated nations.

It has been determined that an enterprise with a wide range of values is preferable. Collectively, these factors have a positive impact on the investment climate, as potential investors gain a preliminary impression that such a firm can be trusted, that a company with human resources will develop effectively and provide strategic management.

It is noted that in order to increase the institutional value of business, it is necessary to provide for a special business structure, develop business plans and enterprise development strategies, use marketing methods and research, apply international best practices and artificial intelligence, attract specialists, develop brand books and introduce advanced technologies.

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