

BUSINESS DEVELOPMENT ACROSS INDUSTRIES

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Abstract. This *study* aims to explore the dynamics of business development across industries, with a specific focus on the context of relocated businesses. As global markets evolve and companies expand their operations beyond geographical confines, understanding the challenges and opportunities associated with moving businesses across different sectors becomes imperative. Through a comprehensive analysis of various industries and their interplay with business relocation, we seek to uncover patterns, hurdles, and strategic considerations that influence the growth and sustainability of relocated enterprises. Practical implications. The findings of this study have practical implications for entrepreneurs, business leaders, and policymakers involved in shaping the economic landscape, particularly in the context of business relocation. Recognizing the unique challenges and opportunities presented by moving businesses across industries provides valuable insights for decision-makers. This knowledge can inform the development of adaptable strategies that consider both the inherent characteristics of specific sectors and the complexities associated with relocation. Entrepreneurs and business leaders in diverse sectors, armed with insights from this study, can strategically navigate relocation challenges. Understanding the interplay between agro, fishing, manufacturing, and service provision businesses during relocation empowers decision-makers to craft adaptive strategies. The study extends its focus beyond agriculture to explore how enterprises in fishing, manufacturing, and service provision adapt to relocation dynamics. Challenges unique to each sector, such as

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environmental considerations for fishing and supply chain logistics for manufacturing, are addressed. *Practical implications* derived from this analysis transcend sector boundaries, offering a holistic understanding of relocation dynamics. Informed decision-making contributes to a more resilient and robust economic landscape. *Value/originality*. This research adds value to the existing body of knowledge by offering a nuanced perspective on business development across industries, with a distinctive emphasis on relocation. The originality of this study lies in its comprehensive examination of various sectors while considering the intricate dynamics of moving businesses. By identifying overarching principles that contribute to successful business growth in the context of relocation, this research contributes to a deeper understanding of the challenges and opportunities associated with cross-industry business development in a globalized world. The insights gained from this study can serve as a foundation for future research and practical applications in managing and optimizing relocated businesses across diverse industries. but also lays a foundation for long-term economic stability and growth.

1. Introduction

In an era marked by unprecedented globalization and ever-evolving markets, the landscape of business development has undergone significant transformations. Enterprises, driven by the pursuit of growth and competitiveness, are increasingly venturing into diverse industries. This shift is not only a testament to the adaptability of businesses but also highlights the intricate interplay between different sectors within the global economy. As businesses navigate these dynamic environments, another dimension comes into focus – the relocation of businesses across industries. This study delves into the multifaceted realm of business development across industries, with a specific emphasis on the challenges and opportunities presented by the relocation of businesses. The decision to relocate is often driven by strategic imperatives such as market expansion, resource optimization, war or regulatory considerations. However, the successful execution of such a move requires a nuanced understanding of the unique characteristics of both the industry being entered and the one being exited. As we embark on this exploration, it becomes crucial to unravel the complexities surrounding cross-industry business development and relocation. The strategic decisions made

in this context have far-reaching implications for the organizations involved, as well as the broader economic landscape. Through a comprehensive analysis of various industries, this study seeks to uncover patterns, identify best practices, and offer insights that contribute to a deeper understanding of the intricacies involved in successfully relocating businesses across diverse sectors. By considering the challenges and opportunities inherent in this dynamic process, we aim to provide valuable knowledge for entrepreneurs, business leaders, and policymakers alike. This knowledge, in turn, can inform strategic decision-making, foster innovation, and contribute to the sustainable development of businesses operating in an environment where industry boundaries are increasingly fluid.

2. Results

Since the beginning of the year, Ukrainians have opened almost 134,000 new businesses [1]. Opening of New Businesses in Ukraine: The surge in new business openings, with almost 134,000 started since the beginning of the year, is a positive sign for economic vitality and entrepreneurial spirit in Ukraine. This may indicate a growing interest in business ownership and economic self-sufficiency among Ukrainians [2]. As of June 2023, the UBI (Ukrainian Business Index) stands at 35.34 (out of a possible 100). It has slightly increased compared to April 2023 (34.03) [3]. Ukrainian Business Index (UBI) Increase: The increase in the Ukrainian Business Index (UBI) from 34.03 in April 2023 to 35.34 as of June 2023 is a positive economic indicator. This uptick may be attributed to various factors, such as improved business confidence, economic policies, or overall market conditions. Further exploration of the contributing factors would provide a more comprehensive understanding of this positive trend.

In summary, these developments suggest a multifaceted economic landscape in Ukraine, marked by a surge in entrepreneurship, targeted financial support for specific groups, and a modest improvement in the overall business climate. It would be beneficial to delve deeper into the specific policies and initiatives driving these trends for a more thorough analysis. In the first 5 months of 2023, 21.1% of enterprises completely or almost completely stopped working (from 0% to 30% of the target). 8.4% of companies reported an increase in the volume of work compared to the plan. 25.4% of enterprises are operating within their 2023 targets.

Impact of Economic Challenges on Enterprises: The statistics for the first 5 months of 2023 reveal a diverse landscape for businesses, with a significant portion experiencing a complete or nearly complete cessation of operations. This highlights the acute challenges faced by a substantial number of enterprises, potentially pointing towards economic instability or external pressures affecting business continuity.

The share of those working on reduced wages remained almost unchanged in the first five months of 2023 (17.9%). 72% of MSMEs believe that the most important task for the government is to eliminate corruption. 54.4% – the need for judicial reform [4]. 140,000 businesses have been opened through Diya: more than 136 thousand Individual entrepreneurs automatically; more than 4 thousand private limited company, more than 1,700 of them – automatically, without the participation of an official. It is emphasized that Ukrainians continued to implement business ideas and support the economy even despite shelling and blackouts. The portal of the national project for entrepreneurship and export development Diia Business has a new section called Veteran Business [5].

The data presents a nuanced economic scenario, highlighting both areas of resilience and persistent challenges. It underscores the imperative for targeted policy measures to address financial constraints, support workforce stability, and prioritize governance reforms for the sustained recovery and growth of businesses in the country. Agricultural entrepreneurs of Kyiv region and Vinnytsia region this year received UAH 12.5 billion in bank loans for farm development. In total, since the beginning of the year, more than 9,000 Ukrainian agricultural enterprises have received UAH 42.7 billion. Of these, more than 7,000 enterprises were financed for UAH 26.3 billion under the state program "Affordable loans 5-7-9" [6].

The reported percentage of asset damage by fishery companies serves as a crucial indicator of the challenges faced within the industry. This data underscores the vulnerability of fisheries to various factors, such as natural disasters, environmental changes, or human-related impacts. The extent of asset damage reported by a percentage of companies sheds light on the resilience and risk management strategies employed by the fisheries sector.

The assessment of aquaculture companies' financial situations provides a nuanced view of the economic dynamics within this sector. An in-depth examination of financial statements, liquidity ratios, and profitability

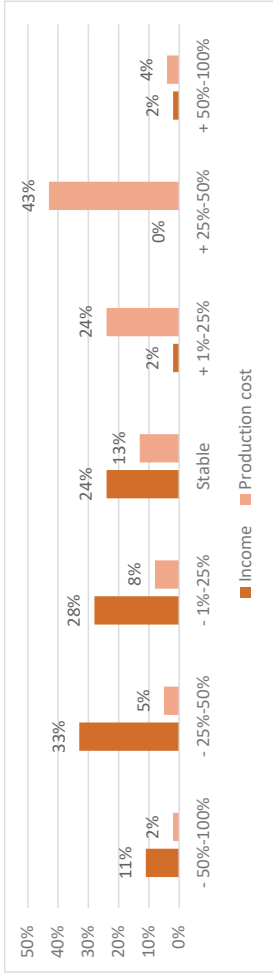


Figure 1. Aquaculture companies reporting change in income and production costs compared to last year (percentage of companies)

Source: Formed by the authors on the database [10]

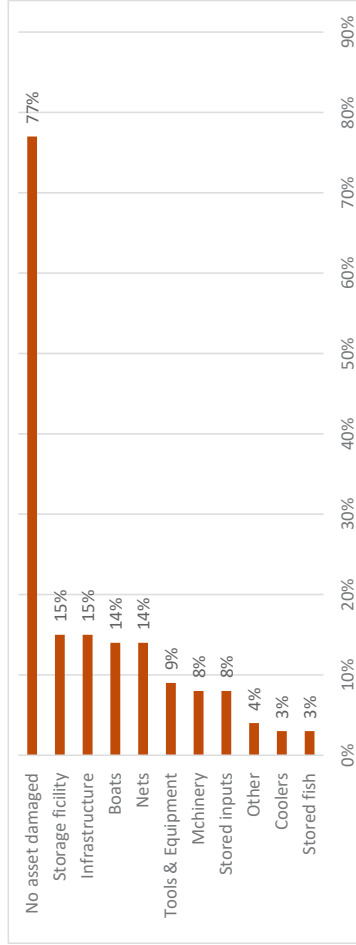


Figure 2. Asset damage as reported by fishery companies (percentage companies)

Source: Formed by the authors on the database [10]

indicators reveals that these companies operate in a complex environment with varying levels of success. Some entities demonstrate strong financial management, indicating resilience and adaptability to market dynamics.

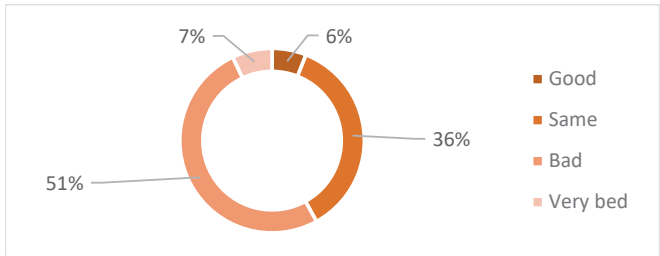


Figure 3. Evaluation of the aquaculture companies financial situation

Source: Formed by the authors on the database [10]

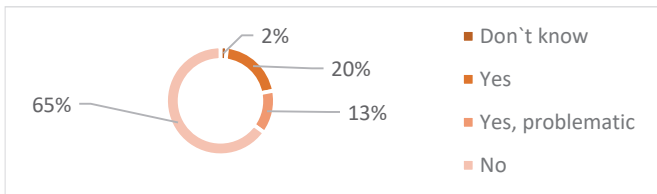


Figure 4. Percentage of aquaculture companies reporting access to credits and loans

Source: Formed by the authors on the database [10]

The reported percentage of aquaculture companies with access to credits and loans serves as a pivotal metric in understanding the financial landscape of the industry. Access to credit is a critical factor influencing the growth and sustainability of businesses within the aquaculture sector. A high percentage of companies reporting such access may indicate a positive environment for financial support, facilitating investments in technology, infrastructure, and sustainable practices.

Furthermore, understanding the dynamics behind the reported percentages, such as the types of loans available and the terms and conditions associated with them, is essential for tailoring strategies that promote financial inclusivity and long-term success in the aquaculture sector.

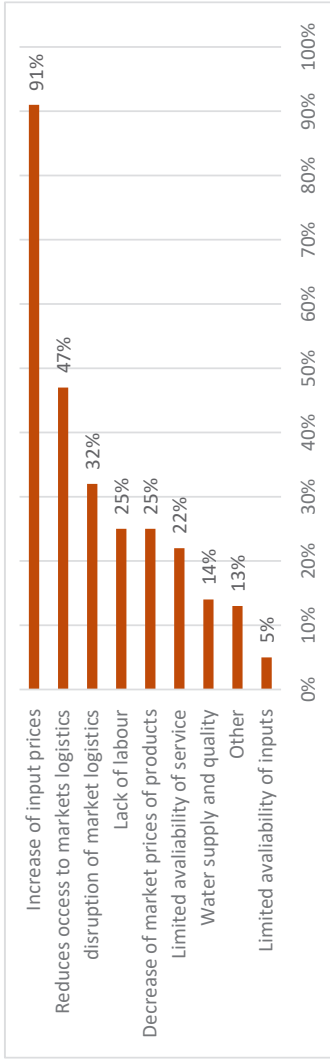


Figure 5. Percentage of aquaculture companies reporting access to credits and loans

Source: formed by the authors on the database [10]

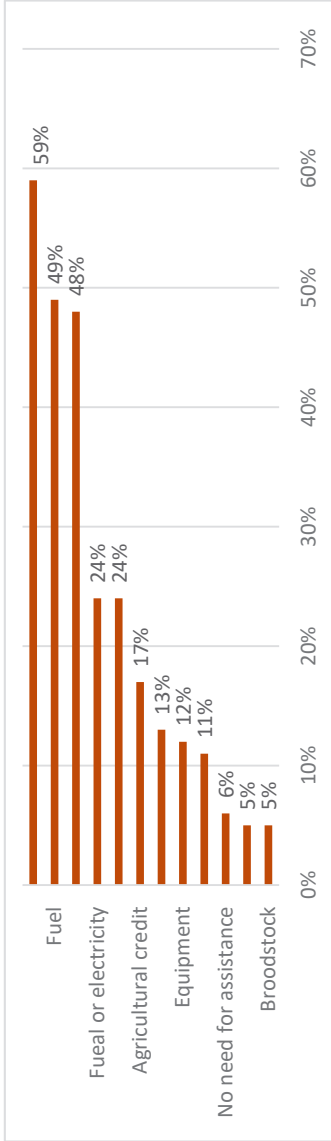


Figure 6. Greatest needs in the coming months as reported by aquaculture companies

Source: formed by the authors on the database [10]

Respondents notably worsened their expectations regarding production volumes and new orders, especially export orders. Pessimistic assessments of unfinished production volumes also persisted. Due to conflict, rising raw material costs, reduced investments, and seasonal factors, construction sector businesses experienced a prolonged decrease in business activity, with the sectoral index at 34.5 in January compared to 35.6 in December. Companies in the trade sector had the most pessimistic outlook, with the sectoral index dropping to 33.9 in January from 42.1 in December, reflecting a reduced supply of goods. The typical early-year activity decline, coupled with reduced consumer incomes, led to a sharp deterioration in assessments of turnover and the volume of goods purchased for resale. Expectations regarding trade margins somewhat increased but remained low.

Service sector businesses expressed negative assessments of their economic results due to infrastructure damage, supply difficulties, and tariff increases, with the sectoral index at 37.2 compared to 41.8 in December. Respondents anticipate a significant decrease in service provision volumes, new orders, and services during execution. Most participating businesses expect further price and tariff increases for their products/services due to rising procurement and contractor prices. All surveyed sectors are geared towards further workforce reductions, with the construction sector being the most affected. The monthly survey of businesses was conducted from January 5 to January 24, 2023, with the participation of 442 companies. Of the respondents, 45.2% were industrial companies, 28.3% were service sector businesses, 21.9% were in trade, and 4.5% were in construction. Additionally, 31% of respondents were large enterprises, 30.5% were medium-sized, and 38.5% were small enterprises [7].

Industrial enterprises have improved their estimates of economic prospects due to the relocation of some enterprises to safer regions, gradual adjustment of supply chains and adaptation to new conditions. The sector's business activity expectations index was 46.7 in August compared to 43.1 in July. Pessimism in expectations regarding the volume of construction and the volume of new orders, as well as the volume of purchases of raw materials and materials decreased. Interviewed representatives of the sector expect a decrease in the volume of turnover, point to a decrease in the balance of goods for sale due to the exhaustion of old stocks and the limitation of the supply of new goods [8].

The majority of Ukrainian entrepreneurs (61%) continue to work despite the war, forced relocation, difficulties with logistics and a decrease in sales volumes, and 91% of those who have suspended their activities are ready to resume in the future. The war significantly affected the income of small and medium-sized businesses. 79% of the respondents state a decrease in business volumes, and for half of the entrepreneurs, such a decrease reaches from 50% to 99%. At the same time, every fifth entrepreneur managed to maintain (19%) or even increase (2%) business volumes compared to the pre-war period [9].

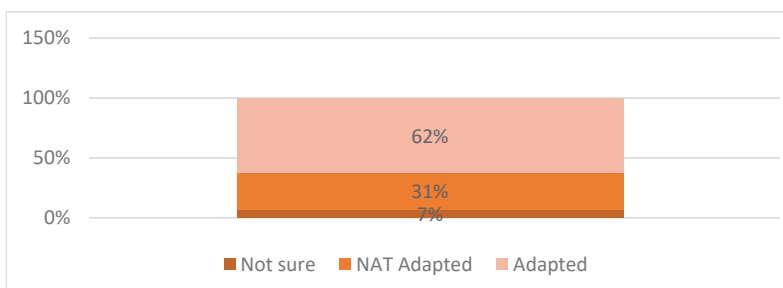


Figure 7. Level of adaptation to life in the host country

Source: formed by the authors on the database [10]

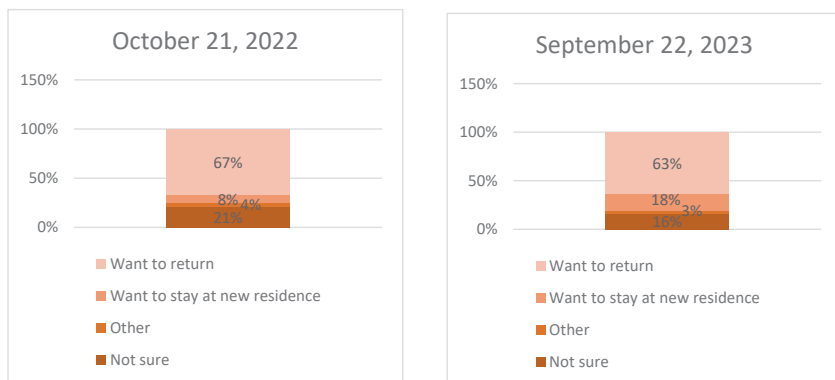


Figure 8. Desire to return to Ukraine

Source: formed by the authors on the database [10]

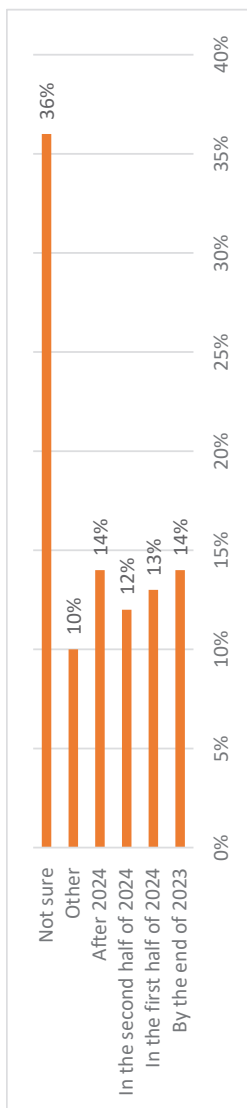


Figure 9. Return to Ukraine, timing

Source: formed by the authors on the database [10]

More than 50% of surveyed IT companies did not relocate and switched to remote work. Some companies have already partially returned to work from the office. In general, 45% of surveyed IT companies chose relocation within Ukraine. 42% of companies partially relocated abroad, of which only 5% closed part of their offices in Ukraine. Among the surveyed IT companies, none has the intention to completely close down business in Ukraine [10].

Every twentieth representative of small and medium-sized businesses surveyed reported no losses due to the war, while 27% estimated them to be up to \$10,000, 28% – in the range of \$10,000-50,000, another 13% – \$50,000-100,000, and 20% – more than \$100,000. At the same time, it is possible to state a high desire of Ukrainian migrants to return home to Ukraine – currently the share of such among respondents is 63%, while a year ago it was 67%.

Among those who want to return, more than a third plan to do so by the end of 2024 (39%), another third of respondents (36%) cannot decide. The primary reason for moving abroad since the onset of the full-scale war is the safety and well-being of their families, as cited by nearly half of the respondents (45%). Poland (29%), Lithuania (16%), and Germany (10%) remain among the leading countries for migration. Additionally, almost two-thirds of respondents (62%) claim they were able to adapt (either fully or to a significant extent) to life in the host country.

The results of the survey indicate a high level of employment among Ukrainian migrants. 70% of surveyed residents of Ukraine who left abroad since the beginning of the war are now working.

Business planning horizons have shortened during the war – most companies surveyed (71%) plan a year ahead or less. At the same time, businesses are optimistic about development prospects: more than half of respondents (53%) include a plan for active or moderate development in their strategies. The expectations of the interviewees regarding the volume of construction, new orders, procurement of raw materials and materials, as well as the availability of contractors were negative. Instead, trade enterprises, despite the difficulties, are adapting to new conditions and improving expectations regarding their economic activity – the sectoral index approached the neutral level and was 48.7 compared to 43.4 in June. In the service sector, the sectoral index was 41.9 (in June – 37.7).

Continuation of intense hostilities, damage to transport infrastructure, reduced demand, and loss of orders contributed to negative expectations.

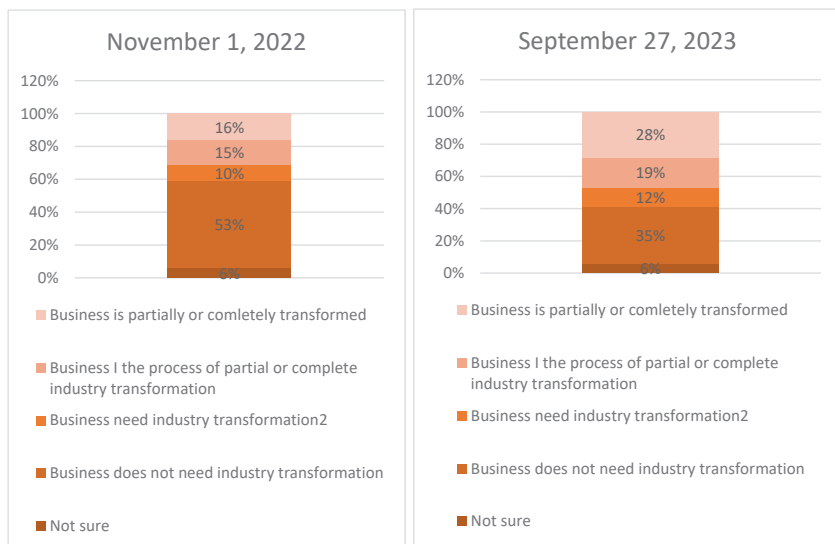


Figure 10. Sectorial business transformation

Source: formed by the authors on the database [10]

In all sectors of the economy, estimates regarding employment remain pessimistic. Enterprises of all types of activity continue to expect a decrease in the number of employees, the most – in the construction sector. Instead, trade and service enterprises noted a slight increase in demand for personnel.

3. Conclusions

Business development in the context of intersecting industries is an exceptionally relevant and complex aspect of the modern economy. This study has revealed that addressing strategic challenges associated with the development of enterprises across different sectors requires a deep understanding of the characteristics of each industry and consideration of complexities related to business relocation. The obtained results indicate that the impact of factors such as resource shortages, logistics changes, production cost fluctuations, and consumer purchasing power is nuanced across different

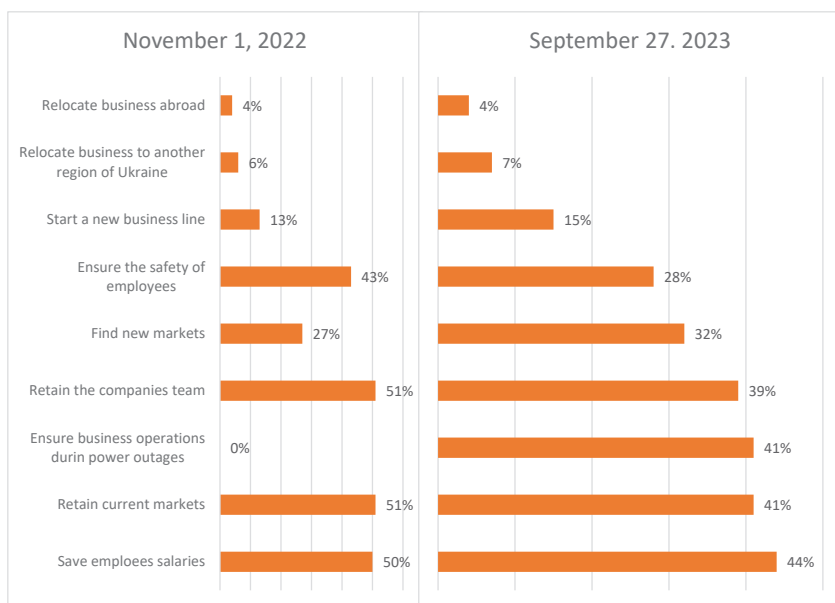


Figure 11. Business challenges during war

Source: formed by the authors on the database [10]

sectors. Industrial sector enterprises may be particularly vulnerable to energy shortages, while trading companies face challenges related to reduced availability of goods. A significant role in this process belongs not only to the strategic planning of enterprises but also to understanding market dynamics, competitiveness, and potential risks. Specifically, businesses interacting across various industries must be prepared to respond to changes in the economic environment and embrace innovation to support their competitive position. The overarching concept of business development across industries underscores the importance of flexibility and adaptability in the modern business environment. Enterprises capable of rapidly assimilating new technologies, management strategies, and market trends have an advantage in achieving stable growth and resilience in ever-changing conditions.

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