

**EXAMPLE OF THE FRONT PAGE OF MASTER'S LEVEL  
DEGREE QUALIFICATION PAPER**

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Educational and Research Institute of Business, Economics and Management  
Department of International Economic Relations

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**QUALIFICATION PAPER**

**It is submitted for the Master's degree**  
Specialty 292 "International Economic Relations"

on the topic "Management of reengineering business processes of purchases of international companies"

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MINISTRY OF EDUCATION AND SCIENCE OF UKRAINE

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Department of International Economic Relations

TASKS FOR MASTER'S LEVEL DEGREE QUALIFICATION PAPER

(specialty 292 " International Economic Relations " )

student 2 course, group \_ МБ.М-21аН

(course number ) (group's code )

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1. The theme of the paper is «Management of reengineering business processes of purchases of international companies» approved by the order of the university from university №1371-VI from 29.11.2023

2. The term of completed paper submission by the student is «14» December 2023.

3. The purpose of the qualification paper is research of "Management of reengineering business processes of purchases of international companies.

4. The object of the research is reengineering of the purchases

5. The subject of research is international companies

6. The qualification paper is carried out on materials statistical reporting, periodical literature, educational literature, reports.

7. Approximate master's level degree qualification paper plan, terms for submitting chapters to the research advisor and the content of tasks for the accomplished purpose is as follows:

Chapter 1 Theoretical basis of management of reengineering business processes of purchases of international companies

(title, the deadline for submission )

Chapter 1 deals with peculiarities of the formation of B2B models during reengineering of the purchases sphere, information security improvement technology based on flexible reengineering processes

(the content of concrete tasks to the section to be performed by the student )

Chapter 2 Methodical approach of management of reengineering business processes of purchases of international companies (title, the deadline for submission )

Chapter 2 deals with to assessment of the efficiency of reengineering business processes in the purchases sphere of industrial enterprises using the DEA method, toolkit of administration in the reengineering system of business processes in the marketing sphere of industrial enterprises

(the content of concrete tasks to the chapter to be performed by the student )

Chapter 3 Development of the management of reengineering business processes of purchases of international companies

(title, the deadline for submission )

Chapter 3 deals with to peculiarities and prospects of craft brewing in the world: reengineering of purchases, radical transformations of business processes at the level of the countries of the world as a motivation for the need for changes in the work of foreign enterprises

(the content of concrete tasks to the chapter to be performed by the student )

#### 8. Supervision on work:

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## ABSTRACT

of Master's level degree qualification paper on the theme «Management of reengineering business processes of purchases of international companies » student Molchanov Oleksandr Vasyliovych

The main content of the master's level degree qualification paper is set out on 43 pages, including a list of used sources of 35 titles, which is placed on 3 pages. The work contains 1 tables, 6 formulas, 3 pictures

The purpose of the master's level degree qualification paper is research of management of reengineering business processes of purchases of international companies.

To achieve this goal and objectives there were used following scientific methods of research: systematization and generalization (by theoretical justification - the concept of competitive ability), comparison (in the process of management of reengineering business processes of purchases of international companies), systematic analysis (during the study of the concept competitive ability at different levels).

The information base of the master's level degree qualification paper is statistical reporting, periodical literature, educational literature, reports.

The main scientific results of the work are as follows: the theoretical provisions of management of reengineering business processes of purchases of international companies have been researched, methodological support for evaluating management of reengineering business processes of purchases of international companies has been formed, practically of management of reengineering business processes of purchases of international companies tested in the work of international companies, to investigate the theoretical support of the management of reengineering business processes of purchases of international companies, to form methodical approaches to the assessment of management of reengineering business processes of purchases of international companies, to improve the elements of management of reengineering business processes of purchases of international companies.

As of today, the specifics of forming the gross national product and shifts in the country's economic sectors demand a reconsideration of historically established prerequisites for sectoral segmentation. One of the identified directions is understanding the agricultural sphere as a sphere of agro-industrial production. This is primarily associated with the fact that presently, entities within the agribusiness sector already correspond more to the fundamental characteristics inherent in industry, particularly in terms of the renewable nature of production resources. Thus, even without considering processing enterprises in the agricultural sphere, it is essential to differentiate agricultural enterprises that have developed capabilities and capacities for implementing, at a minimum, primary processing and even, in certain cases, advanced processing of agricultural raw materials for a more effective entry into both domestic and international markets. Consequently, the integration of technical and technological support for processing agricultural raw materials defines this sector as agro-industrial production, which can be fully attributed to the modern industry of the country.

Among the existing marketing models for gaining competitive advantages in business, special attention is currently directed towards B2C (Business to Customer) and B2B (Business to Business). The general application specifics of the B2B system involve closed-type sales organization aimed at forming large product batches for a limited number of consumers, whereas the B2C system, conversely, involves engaging a significant number of consumers with minimal product batch sizes. These models have their own merits and drawbacks and, from a scientific standpoint, can be adapted to any sphere of production. It's worth noting that there are examples of their usage in the agricultural sphere as well.

The main characteristics of implementing a product policy for agro-industrial marketing include the following:

- The product range in an agro-industrial enterprise is formed considering both the production capacities of the entity and the results of analytical studies of the chosen market segments.

- The formation of product batches should align with the specifics of applying the B2B marketing strategy for the first defined group of agro-industrial enterprises, primarily meeting the requirements of exporters.

A clearly defined focus for the industry should be innovation. Notably, innovation refers not only to technologies and end products but also to the organizational systems of all activity directions: innovative dialogue and cooperation between initial and final points of interaction, innovative information flow, innovative approaches to personnel management, innovative corporate culture, and attitudes toward production duties.

Modern challenges demand a shift in activity vectors, requiring the exploration of new markets and the creation of new products. However, as experience has shown, such goals are not achieved through the brightness of political statements or directive instructions. The emergence of a qualitatively new product requires the appearance of qualitatively new stages in its creation: marketing, technical research, development of specific products and size ranges, development of manufacturing technology, procurement of suitable equipment, material support, manufacturing, management, quality control, supply, commissioning, and service.

*Research methods* - the systematic method - when researching the theoretical provisions of the RBP of international companies, the structural method when forming the methodological apparatus of the RBP, the method of abstractions - when forming research conclusions, the statistical method - when researching transformative markets

*Approval of work materials* – carried out in the work of companies of the production sector in the construction of strategic and tactical planning of international economic activity

**KEYWORDS:** reengineering of the purchases, business processes, companies, assessment, criteria.

Year of Master's level qualification paper fulfillment is 2023.

Year of Master's level paper defense is 2023.

## CONTEST

Introduction	7
1 Theoretical basis of management of reengineering business processes of purchases of international companies	9
1.1. Peculiarities of the formation of B2B models during reengineering of the purchases sphere	9
1.2. Information security improvement technology based on flexible reengineering processes	13
2 Methodical approach of management of reengineering business processes of purchases of international companies	18
2.1. Assessment of the efficiency of reengineering business processes in the purchases sphere of industrial enterprises using the DEA method	18
2.2. Toolkit of administration in the reengineering system of business processes in the marketing sphere of industrial enterprises	22
3. Development of the management of reengineering business processes of purchases of international companies	28
3.1. Peculiarities and prospects of craft brewing in the world: reengineering of purchases	28
3.2. Radical transformations of business processes at the level of the countries of the world as a motivation for the need for changes in the work of foreign enterprises	33
Conclusions	38
References	40

### **Introduction**

*Justification of the choice of topic and its relevance.* It should also be noted that in modern economic conditions, companies are faced with crisis phenomena in the country's economy, but the management of the company in this case is only trying to implement restructuring in problematic areas of its activity, which will not be able to give the effect necessary for the sustainable development of the company, because "patchwork" methods of change are aimed at overcoming only individual problems in the activities of business entities and do not solve the problem comprehensively. Therefore, in such conditions, it is necessary to use radical methods of management, which are radical redesign of business processes of business entities (reengineering of business processes) with the aim of bringing products to foreign markets.

*Degree of the studied problem.* Study of procurement reengineering mechanisms of international companies.

*Object of research* is reengineering of the management system.

*Subject of research* is international companies

*The purpose of the work* is research of management of reengineering business processes of purchases of international companies.

Tasks of the work are explore: to investigate the theoretical support of the management of reengineering business processes of purchases of international companies, to form methodical approaches to the assessment of management of reengineering business processes of purchases of international companies, to improve the elements of management of reengineering business processes of purchases of international companies.

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**1 Theoretical basis of management of reengineering business processes of purchases of international companies**



### **1.1.Peculiarities of the formation of B2B models during reengineering of the purchases sphere**

As of today, the specifics of forming the gross national product and shifts in the country's economic sectors demand a reconsideration of historically established prerequisites for sectoral segmentation. One of the identified directions is understanding the agricultural sphere as a sphere of agro-industrial production. This is primarily associated with the fact that presently, entities within the agribusiness sector already correspond more to the fundamental characteristics inherent in industry, particularly in terms of the renewable nature of production resources. Thus, even without considering processing enterprises in the agricultural sphere, it is essential to differentiate agricultural enterprises that have developed capabilities and capacities for implementing, at a minimum, primary processing and even, in certain cases, advanced processing of agricultural raw materials for a more effective entry into both domestic and international markets. Consequently, the integration of technical and technological support for processing agricultural raw materials defines this sector as agro-industrial production, which can be fully attributed to the modern industry of the country.

Among the existing marketing models for gaining competitive advantages in business, special attention is currently directed towards B2C (Business to Customer) and B2B (Business to Business). The general application specifics of the B2B system involve closed-type sales organization aimed at forming large product batches for a limited number of consumers, whereas the B2C system, conversely, involves engaging a significant number of consumers with minimal product batch sizes. These models have their own merits and drawbacks and, from a scientific standpoint, can be adapted to any sphere of production. It's worth noting that there are examples of their usage in the agricultural sphere as well.

The main characteristics of implementing a product policy for agro-industrial marketing include the following:

- The product range in an agro-industrial enterprise is formed considering both the production capacities of the entity and the results of analytical studies of the chosen market segments.

- The formation of product batches should align with the specifics of applying the B2B marketing strategy for the first defined group of agro-industrial enterprises, primarily meeting the requirements of exporters.

- Utilizing the most effective marketing approach involves offering products with added value, such as personalized attention to customers, forming consistent product batches based on quality and consumer properties, and providing improved transportation and delivery conditions.

However, applying certain theoretical concepts from marketing theory, like understanding new product development stages, defining product market attributes, assessing product life cycles, and forecasting based on such tools, is not feasible for use in the agricultural sphere (raw material segment of the agricultural market) due to several objective factors.

The formulation of pricing policies in agro-industrial marketing within the industry's conditions will take the following forms:

- Pricing is free-market oriented, determined by market conditions on chosen market segments, irrespective of governmental influence, especially in international markets.

- The pricing policy of the entity should align with the market type, particularly in the majority of cases where the agricultural produce market tends to resemble an oligopsony or a monopsony.

- The primary approach to setting prices for products in the chosen market's raw material segment should be the "costs plus necessary profit" method.

- Among the most successful pricing strategies for agro-industrial enterprises when implementing marketing, certain differentiated pricing strategies tailored to export specifics are considered highly effective.

Indeed, the current situation regarding the formulation of pricing policies for agro-industrial enterprises allows for the most successful use of differentiated pricing. The aim is to increase sales volumes to exporters while simultaneously reducing volumes for intermediary organizations. Specifically, the following strategies should be fundamental:

- The strategy of preferential prices, enticing buyers through temporary measures such as seasonal price fluctuations for regular customers and reducing prices based on increased batch sizes.

- The strategy of flexible and elastic prices, involving price adjustments based on buyer capabilities, fostering mutually beneficial and long-term cooperation with consumers operating under constant financial constraints.

- The strategy of bulk prices, deriving its effect from forming the largest product batches for a single buyer.

It's worth noting that employing more recognized marketing pricing strategies (high price strategy, low price strategy) is ineffective for agro-industrial enterprises due to specific reasons. For instance, the high price strategy involves initially selling products at high prices with gradual reductions, which is more characteristic of novelty products, not typical for goods in agro-industrial production. Additionally, considering the aspect of seasonal price fluctuations, particularly in agriculture, long-standing practices have shown the lowest prices at harvest periods, i.e., the start of the marketing year, and the highest prices in March-May. The low price strategy begins with setting the lowest prices and gradually raising them. However, in the context of agro-industrial production, initial sales should ensure an inflow of financial resources for continued simple or expanded reproduction. Therefore, strategic management on enterprises using these pricing methods is deemed unacceptable.

The primary objectives of the sales policy involve integrating the product, pricing, and communication strategies into a cohesive system within the enterprise to form an effective product distribution system. Firstly, this allows managing the sales channels of agro-industrial enterprises with the main aim of forming product batches necessary for direct marketing to the most crucial consumers of primary processed products—exporters—while also increasing sales volumes directly to consumers (excluding intermediary organizations) in general. Secondly, it enables the establishment of a product distribution system in the temporal dimension, considering the peculiarities and seasonality within the agro-industrial production sector. This aspect facilitates maintaining consistent and planned financial support for the operational activities of

economic entities, which is a fundamental aspect of their existence and functioning within the chosen market.

Analyzing the effectiveness of the internal raw material segment of the agricultural market is viewed through the lens of competitiveness among its key participants—the product manufacturers. Reviewing existing theoretical studies on the essence of competitiveness revealed a lack of consensus on this category. Therefore, it became pertinent to justify a definition that aligns most closely with the context of the undertaken research. Accordingly, the competitiveness of agro-industrial enterprises should be understood as the ability to fully mobilize the enterprise's economic potential as a subject of economic relations while simultaneously creating competitive advantages in products, pricing, marketing, and logistics. This capability enables the enterprise's offerings to be more attractive to consumers, suppliers, and investors compared to primary competitors, resulting in the preservation or increase of market share, improved economic efficiency, and increased business value. Additionally, an enterprise's competitiveness should be assessed and considered solely in dynamics as a non-competitive enterprise or product under certain external environmental conditions can become competitive with changes in these conditions, and vice versa.

In the context of implementing the sustainable development paradigm in managing the core activities of agro-industrial enterprises, it is more pertinent to discuss not merely the dynamics of competitiveness levels and efficiency, but rather the determination of directions for organizational, production-technological, and commercial changes aimed at long-term maintenance and enhancement of these levels. This rationale underscores the relevance of introducing the definition of "competitive development."

Competitive development of enterprises should be understood as a type of entity development that, while maintaining a stable level of economic efficiency and preserving or improving market positions, is capable of creating potential for enhancing the enterprise's competitiveness and its products. This potential is achieved through the utilization of strategies oriented towards creating competitive advantages.

Strategic management, in our view, is the primary possible tool for ensuring the appropriate level of efficiency, and the successful application of the strategy generation

and implementation mechanism determines the competitive development of enterprises. It is essential not only to isolate the strategy as an integrated model of actions or a prospective detailed project but also to apply it as a tool for long-term specification of the enterprise's development direction. This direction encompasses all areas and means of its production-commercial activities, internal and external systems, as well as opportunities to strengthen the enterprise's competitive position in the chosen market.

One of the key directions to ensure the competitive development of enterprises involves the formation and practical utilization of agro-industrial marketing in actual operations. This aspect satisfies the effectiveness requirements across product, pricing, communication, and sales policies of economic entities, thereby integrating these specified spheres of production-commercial activities within agribusiness entities [1].

## **1.2. Information security improvement technology based on flexible reengineering processes**

Ensuring information security, like any other entity, requires constant adaptation to changes in the external environment and internal organizational system requirements. Since norms and principles of complex processes are used for their conceptual restructuring, including to ensure the efficiency of information security processes, the improvement of the latter is possible through reengineering.

The security of an organization's information entails ensuring the level of development of its information activities to enable uninterrupted and stable functioning, as well as the optimal utilization of available information resources while minimizing the impact of threats. Therefore, the main reason for reengineering an information security system lies in the disparity between the requirements placed on the system by users and its actual characteristics. Over time, the situation where there's a discrepancy between the demands for information security and its features becomes critical, necessitating intervention in the said system. The cause for reengineering information security lies in reengineering business processes. Conversely, reengineering information security often leads to the reengineering of business processes. Hence, the process of reengineering information security should be viewed as the development of new methods to optimize

information security processes, business processes, methods of organizing enterprise security, new solutions in the field of information security system architecture, hardware and technical tools with higher performance, as well as new information media and software [1].

The technologies ensuring information security are constantly improving, consequently improving the methods for their reengineering and optimization. The existing differences mainly lie within the organizational realms of applying these technologies.

Quality development criteria and system reengineering from the 1990s were addressed by scholars such as Thomas H. Davenport and James E. Short [2], Martinez Ervin, Braithwaite Timothy, Michael Hammer, Thomas H. Davenport, Ivar Jacobson, E.Z. Zinder, Yu.K. Petrov, and others [3, 4, 5, 6, 7]. Primarily, the concept of "reengineering" was related to business processes and meant a radical transition to new operational methods for a company.

A classic understanding of a reengineering project comprises the following stages:

- Modeling and analyzing existing business processes.
- Reconceptualizing and developing fundamental new business processes.
- Implementing the new business processes [8].

Among the most prevalent methods of reengineering information security, it is worth distinguishing:

- Modernization - relatively minor enhancements to the information security system, rectifying critical errors without fundamental changes.

- Refactoring - complete or partial transformation of the internal structure of the information security software (only software) while preserving external behavior, transitioning to a more modern programming language.

- Redesign - improving the user interface without significantly altering its functionality.

- Reverse engineering - investigating, reconstructing (building) structural models of information security.

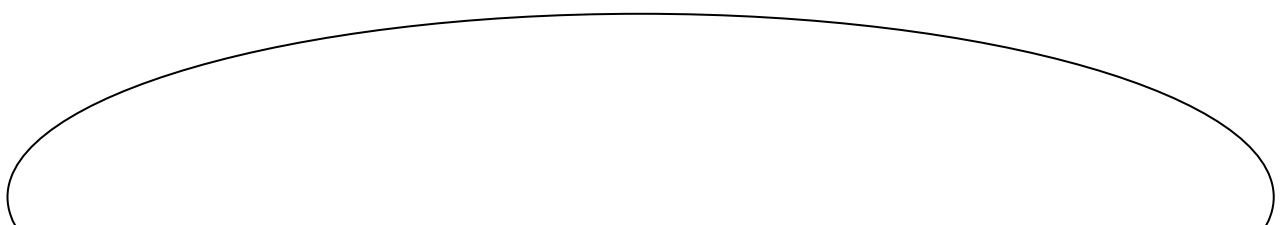
- Business process reengineering - fundamentally rethinking and radically redesigning business processes to achieve substantial improvements in key performance indicators.

- Organizational reengineering - a fundamentally new approach to ensuring information security processes [9].

Previous research in the field of enhancing information security primarily focused on assessing the period during which a system functions effectively within its lifecycle. These studies presupposed that upon completion of the lifecycle, the information security system is replaced by a new one or a restoration process is conducted. However, in the current context of information technology advancement, flexible improvement is both necessary and achievable. This enhancement can occur gradually during the normal functioning of the information security system or intensively (reengineering) after a significant decrease in its effectiveness.

In contrast to established methodologies, the proposed flexible reengineering technology involves the process of constructing and sequentially transforming coherent models at each stage of the system's lifecycle. These models are typically stored and accumulated in the project repository. The methodology put forth develops management strategies for the development of the information security system based on scheduling the initiation of revolutionary improvement procedures.

This will, firstly, extend the lifespan of the information security system and, secondly, propose specific ways to modernize it at the initial stage of its deterioration. Furthermore, the combination of these two types of information security enhancement will enable the management of modernization parameters: the timing of commencement, including individual subsystems, the amount of financial investment in gradual improvement, and the determination of the level of modernization (Figure 1.1).



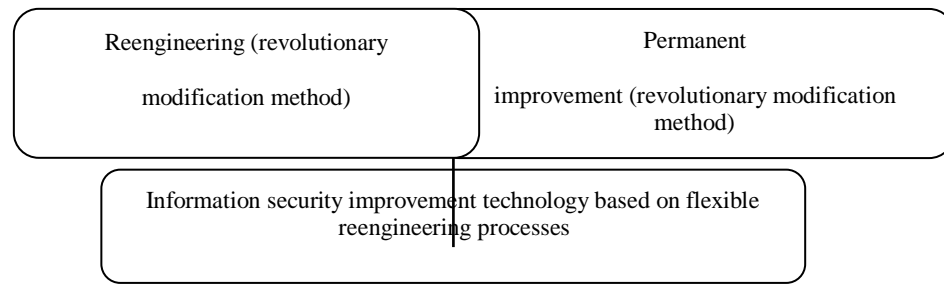


Fig. 1.1. Conceptual provisions of information security improvement technology based on flexible reengineering processes [1]

In general, the requirements specification matrix incorporates a project level, allowing for consideration of both the initial design and construction of the information security system, as well as the necessity to return to project procedures during redesign and reengineering stages. The project repository typically contains numerous outdated models or system versions, which might be considered as such in the case of online system design with continuous functioning cycles. Therefore, within the process of specifying requirements for information security, distinct categories of requirements have been identified, the resolution of which entails conducting functional-organizational audits or system reengineering. These processes are related to the analysis and improvement of systems within this class.

The information security performs transformation through the following process [10]:

$$Y_t = F(X_t, A_t), \quad (1.1)$$

where:

$X_t$  - current state of the input object of the information security system;

$Y_t$  - current state of the output object of the information security system;

$A_t$  - current state of the output of the information security system;

$F$  - transformation function of the output of the information security system.

The efficiency of this information security system's operation can be expressed as:



The set of input states in information security is reflected in the set of output states with constraints on the quality of outputs and resulting parameters, as well as the presence of external environmental influences. During the functioning of an information security system, a conflict arises between the existing transformation of the input state of the output system and ensuring the maximum lower limit requirements of the output system. In other words, when a complex set of requirements emerges, it is anticipated that at least minimal results that allow for the resolution arising from the tasks during the system's operation should be permitted.

Thus, for a modern information security system, there are processes of continuous improvement and reengineering, which methodologically rightfully define each other in basic meta-procedures. However, current conditions dictate the necessity of searching for cutting-edge technologies for modifying systems and processes. With this aim, a technology for enhancing information security based on flexible reengineering processes has been proposed, which involves combining horizontal and vertical schemes. These provide the capability to meet requirements at different stages of reengineering, including structural, programmatic, organizational, functional, and comprehensive approaches, all while considering the lifecycle of the information security system [11].

## **2 Methodical approach of management of reengineering business processes of purchases of international companies**

## **2.1. Assessment of the efficiency of reengineering business processes in the purchases sphere of industrial enterprises using the DEA method**

The efficiency enhancement of industrial enterprises is achievable through the reengineering of business processes in the marketing sphere. To determine the feasibility and economic rationale of reengineering business processes in the studied sphere, it is necessary, first and foremost, to assess its level of efficiency.

Presently, there are numerous indicators defining the efficiency of marketing activities. In the work conducted by Gerasymiak [12], an analysis was performed on existing approaches to evaluating the efficiency of marketing activities in industrial enterprises. The analysis of proposed indicators allows for the evaluation of the efficiency of marketing initiatives in industrial enterprises. However, the substantial number of utilized indicators complicates the derivation of a clear conclusion regarding the overall level of efficiency. Furthermore, the proposed indicators do not encapsulate the complex cause-and-effect relationships between the outcomes of marketing activities and internal factors (expenditures, resource potential, capacity for development, etc.) as well as external factors (institutional environment, actions of competitors, suppliers of resources, consumers, and others).

Foreign practices widely employ methods for assessing marginal efficiency based on the concept of the efficient boundary of production capabilities. According to this concept, the efficient boundary is formed by companies that achieve the maximum activity result per unit of resources spent. Assessment of efficiency by these methods involves measuring in a multi-dimensional space the distances between input and output parameters from the point corresponding to the analyzed company to the efficiency boundary.

Among the methods for assessing marginal efficiency are:

1) Parametric methods: Stochastic Frontier Approach (SFA); Distribution Free Approach (DFA); Thick Frontier Approach (TFA).

2) Non-parametric methods: Data Envelopment Analysis (DEA); Free Disposal Hull (FDH).

Parametric methods define the efficiency boundary in the form of a production function, with parameters determined by econometric methods. Non-parametric methods achieve piecewise linear approximation of the efficient boundary using mathematical programming methods.

The work by Dolgikh [13] analyzed the advantages and drawbacks of parametric and non-parametric methods in determining marginal efficiency. Parametric methods excel in considering random errors in output data, while non-parametric methods exhibit flexibility in approximating the set of potential production plans. Estimates of efficiency obtained through parametric methods are sensitive to changes in the input and output variables of each enterprise, as well as changes in the composition of the studied group of enterprises. Conversely, efficiency estimates by non-parametric methods are only sensitive to changes in the parameters and composition of completely efficient enterprises.

Parametric methods rely on regression analysis and are applied to assess the efficiency of enterprises with single outputs (production volume, sales, profits, etc.) and multiple inputs (labor resources, capital, etc.) or with a single input and multiple outputs. Non-parametric methods simultaneously analyze the suitability of input and output sets. Both method groups allow establishing a relationship between input and output indicators in the form of a production function. In marketing, a production function reflects how the analyzed entity (sales team, branch, product, advertising campaign) utilizes input resources to achieve specific outcomes.

Non-parametric methods do not require defining the form of the production function, which is particularly valuable in marketing due to complex analyses involving non-material inputs and outputs.

The DEA method belongs to non-parametric efficiency assessment methods. One of its advantages is the comprehensive assessment of the relative efficiency level of the analyzed object, considering the impact of various input and output factors. Additionally, the DEA method can determine target values for input and output parameters, allowing an

inefficient analyzed object to achieve 100% efficiency. Hence, its application is reasonable for assessing the efficiency of marketing activities in industrial enterprises, determining the viability of reengineering marketing business processes, and providing its economic justification.

DEA models can be divided based on the following criteria:

1) Returns to scale: Some models exhibit constant returns to scale (CRS models), while others have variable returns to scale (VRS models). In CRS models, output parameters change proportionally to input parameters. In VRS models, variable returns to scale indicate non-proportional changes in output parameters when input parameters change. Considering variable returns to scale results in identifying a larger number of efficient entities compared to constant returns to scale. Efficiency determined by the CRS model is known as technical efficiency, whereas by the VRS model, it's referred to as pure technical efficiency.

2) Orientation: Models can be input-oriented, output-oriented, or without orientation. Input-oriented models minimize the set of input parameters at fixed outputs, while output-oriented models maximize the vector of output parameters with a fixed vector of inputs.

The variety of DEA models provides different ways to measure efficiency, so selecting a specific model type is one of the research tasks [13].

Alongside choosing the type of DEA model, important tasks for researchers include forming a set of compared objects and defining the input and output parameters. It's essential to note that the DEA method evaluates the relative efficiency of the analyzed objects. Hence, the DEA method can be applied, for instance, to assess the relative efficiency of marketing activities among diversified industrial corporation business units. Comparing the efficiency of the marketing sector of corporate business units allows for determining the feasibility of reengineering inefficient business processes in those units.

In the example being considered, the input parameters could consist of investments in the marketing sector of business units (such as labor costs for managers, expenses on marketing research, costs incurred for implementing marketing strategies, etc.). Output parameters might include the increase in sales volume, profits from sales, among others.

Measuring the efficiency of the marketing activities of a business unit using the VRS model - input occurs as a result of solving a linear programming problem [14]:

Equations (4.11) to (4.15) are as follows:

$$\min_{E, \lambda_1, \lambda_2, \dots, \lambda_k} E \quad (2.1)$$

$$EX_0 = \sum_{k=1}^K \lambda_k X_k + d^-, \quad Y_0 = \sum_{k=1}^K \lambda_k Y_k - d^+, \quad (2.2)$$

$$\sum_{k=1}^K \lambda_k = 1, \quad k = \overline{1, K}, \quad (2.3)$$

$$\lambda_k \geq 0, \quad k = \overline{1, K}, \quad (2.4)$$

$$d^-, d^+ \geq 0, \quad (2.5)$$

Where:

$E$  – is the input pure technical efficiency,

$\lambda_k$  – are linear combination coefficients to be determined,

$X_0 = (x_{10}, x_{20}, \dots, x_{m0})$ ,  $Y_0 = (y_{10}, y_{20}, \dots, y_{n0})$  – are vectors of input and output parameters of the evaluated business unit,

$X_k = (x_{1k}, x_{2k}, \dots, x_{mk})$ ,  $Y_k = (y_{1k}, y_{2k}, \dots, y_{nk})$  – are vectors of input and output parameters of business unit,

$K$  – is the number of compared business units,;

$d^-, d^+$  – are additional variables

Upon solving equations (2.1) to (2.5) for the  $k$  business unit, the production possibilities frontier, a weighted isoquant  $\sum_{k=1}^K \lambda_k Y_k$ , is formed relative to which the estimation  $d^+$  characterizes potential additional values in production results (such as sales volume, profits, etc.). Optimal estimates  $\sum_{k=1}^K \lambda_k X_k$  describe the resource expenditure corresponding to the isoquant  $(Y_0 + d^+)$  while deviations from isoquant  $d^-$  – represent inefficiently spent resource volumes.

By evaluating the values of additional variables  $d^-$ ,  $d^+$  the internal reserves can be determined, at which the efficiency of the business unit reaches 100%.

Hence, by assessing the relative efficiency of the marketing sphere of business units using the DEA method, their ranking based on efficiency levels can be conducted. This helps identify the feasibility of reengineering inefficient business processes within business units, evaluate internal reserves for its implementation.

Analyzing the dynamics of changes over time in the efficiency of the business unit's marketing sphere, as determined by the DEA method, has its peculiarities. The assessment of efficiency using the DEA method relies on comparing the efficiency metrics of business units with the benchmarks that are located at the production possibility frontier. In each analyzed period, the business units exhibit different input and output metrics. Additionally, different benchmark business units exist for each period. Therefore, during the analysis of changes in business efficiency,

## **2.2. Toolkit of administration in the reengineering system of business processes in the marketing sphere of industrial enterprises**

Contemporary business environments are characterized by dynamism, agility, unpredictability, complex interrelationships, and influences. This necessitates the formation of effective administrative systems that can better forecast market changes, make managerial decisions, plan actions, optimize resource provisioning for managerial processes, and more. The administration toolkit facilitates the effective reengineering of marketing business processes within industrial companies.

The management toolkit within an enterprise, specifically concerning the reengineering of marketing business processes, is closely linked to the specific needs of participants within the management system, including both leadership and operational personnel. Notably, the suitability of employing management tools is primarily determined by the needs of marketing leadership within the enterprise. For instance, the marketing director requires appropriate information and documentation for selecting marketing strategies, defining marketing goals, structuring marketing management

organizationally, identifying the most promising market niches, positioning in the market, enhancing competitive positions, shaping product assortments, and so forth.

In other words, management tools are essential for executives at the strategic decision-making level primarily to ensure business development, which is a pivotal task. These tools directly contribute not only to business development but also to the stability of its operation in the market—a particularly critical aspect amid the processes of European integration.

The effective administration tools within the system of reengineering marketing business processes in industrial enterprises enable managers at all levels of management to generate new business ideas during the reengineering process and swiftly respond to environmental changes by adopting appropriate managerial decisions. They aid in establishing efficient direct and reverse communication within the reengineering process and ensure the balance of business processes within the enterprise.

The administration tools within the system of reengineering marketing business processes in industrial enterprises are closely associated with ensuring the efficiency of reengineering. Specifically, they facilitate the analysis of revenues and expenditures, diagnose the level of performance of individual marketing departments, and identify their strengths and weaknesses. Additionally, these tools create conditions for setting reengineering goals for both the company overall and individual employees.

Another advantage of effective administration tools in the system of reengineering marketing business processes in industrial enterprises is their ability to enhance staff motivation during reengineering processes. As known from theory and practice, low motivation levels constitute a major issue in domestic business. With administration tools, many approaches to motivating staff during reengineering become transparent (open to all company employees), defined (employees clearly know their tasks and criteria for evaluating their job performance), prospective (employees clearly understand their career growth opportunities), and focused on continuous feedback support. Furthermore, specific elements of administration systems directly regulate legal aspects of remuneration in organizations (e.g., corresponding norms within collective agreements, provisions on payment or bonuses to employees). Equally important is the role of these

systems in establishing key performance indicators for employees and marketing department units, which are considered a positive managerial practice in modern business.

The administration tools within the system of reengineering marketing business processes in industrial enterprises involve the establishment of goals and tasks in the designated sphere, as well as setting up all necessary vertical and horizontal connections in the process of purposeful management influence from the managerial subsystem on the controlled one throughout all reengineering stages. This is based on the utilization of documentation, record-keeping, information provision, and formalization of managerial procedures.

The enhancement of administration tools within the system of reengineering marketing business processes in industrial enterprises will inevitably lead to increased effectiveness in production and management activities, consequently strengthening the company's competitive position in the market. Therefore, diagnosing the actual state of these tools becomes crucial to identify their strengths, pinpoint issues, and seek the most efficient ways to utilize them. This issue becomes critical amid the increase in documentary and informational data at enterprises from the strategic and tactical management perspectives.

A study of theory, practice, and the aforementioned outcomes leads to the conclusion that administration tools within the system of reengineering marketing business processes in industrial enterprises exhibit a unique set of internal processes, garnering interest from various stakeholders (managers at different management levels, owners, external entities, employees in the managed marketing management system, etc.).

The results of conducted research allow for the delineation of the primary functions of administration tools in the system of reengineering marketing business processes in industrial enterprises, namely [14,15,16,17]:

- Communication-oriented – involves information and documentation exchange during reengineering, as well as supporting various databases within the enterprise.



- Integration-focused – consolidates efforts of managerial and managed subsystem employees to achieve common goals during the reengineering process.

- Cognitive – describes the actual state of marketing processes within the enterprise, highlighting issues, perspectives, deviations, and over-performance of marketing plans.

- Instrumental – emphasizes searching, diagnosing, and evaluating all necessary information to facilitate the targeted influence of the managerial subsystem on the managed subsystem throughout the reengineering technology stages.

- Analytical – entails the detailed breakdown of information and document flows based on activities, responsibility centers, cost centers, and other parameters depending on the analytical goals of reengineering.

- Preventive – enables the identification of potential problems and risks at any stage of the reengineering process.

- Organizational-technological – facilitates the determination of a set of measures to achieve established goals during the reengineering process.

The utilization of administration tools within the system of reengineering marketing business processes in industrial enterprises enables [19, 20, 21]:

- Guiding employees during reengineering by providing a direction of actions, which will likely lead to achieving established goals.

- Enhancing the efficiency of reengineering processes by identifying and eliminating repetitions, unnecessary steps in document or information movement, and so forth.

- Facilitating the understanding among managers at various management levels and executors about the logic behind reengineering processes.

- Establishing a comparative information base during reengineering.

Thus, the policy within administration systems, primarily shaped by top management, directs the actions of different entities towards achieving goals and solving set tasks during the reengineering of marketing business processes in industrial enterprises. In other words, this policy elucidates how reengineering goals can be achieved. It fosters an atmosphere of trust concerning collective actions between managerial and managed systems, thereby minimizing ambiguity and discord in steps taken during reengineering. Policy within administration systems ensures coherence in

goal formation and helps prevent managers from making irrational decisions during the reengineering of marketing business processes in industrial enterprises.

A review and synthesis of literature sources [22, 23, 24, 25] allow the identification of the key characteristics of administration tools during the reengineering of marketing business processes in industrial enterprises, namely:

- Grounding in the universally accepted conceptual-categorical framework of management.
- The dynamic nature of these tools, influenced by the dynamism of both internal and external environments, including the marketing sphere.
- The individuality in their formation and application processes, driven by the uniqueness of administration systems in enterprise management and the individuality of marketing reengineering processes.
- Their organizational influence on systems, defining these tools' ability to facilitate a specific order of actions, steps, processes, procedures, algorithms, etc.
- Their reliance on specific organizational parameters during formation and application (such as size, business directions, workforce size, external-economic orientation, use of modern management technologies, etc.).
- The effectiveness of their application depending on the competency level of the company's personnel, emphasizing their pivotal role in forming and utilizing administration systems within the organization and during marketing process reengineering.
- The distinct managerial influence on administration system objects, justifying both direct and indirect impacts.

Therefore, employing suitable administration tools during the reengineering of marketing business processes in industrial enterprises not only ensures the efficiency of these processes but also facilitates adaptation to various internal and external changes by adjusting marketing system parameters, ultimately achieving set objectives.

Any reengineering processes within enterprise management should have well-defined beginnings, ends, and boundaries. To ensure the effectiveness of reengineering marketing business processes, it's essential to comprehend them clearly, manage them

effectively, regulate them, and if possible, automate them. It's crucial to acknowledge that administration processes and systems are vital components of a company's corporate architecture. Thus, they should not only ensure a certain level of efficiency within their domain (such as harmonious interconnections) but also constructively influence the business entity as a whole.

### **3. Development of the management of reengineering business processes of purchases of international companies**

#### **3.1. Peculiarities and prospects of craft brewing in the world: reengineering of purchases**

Production of beer, as one of the most popular sectors in the food industry of the national economy, has its distinctiveness influenced by various factors, particularly the nature of the product. Beer is a versatile alcoholic beverage, and its history dates back to ancient times. Archaeologist E. Huber from Germany discovered cuneiform texts from the third millennium BC containing recipes for brewing Sumerian beer.

As of today, beer stands as the most consumed alcoholic beverage worldwide and ranks third in popularity after water and tea. Western Europe confidently leads the global ranking in terms of beer consumption by residents, with the Czech Republic being the absolute leader. In this country, each resident consumes an average of 148.6 liters of beer annually. Following with a considerable gap are Austria with 107.8 liters and Germany with 106.1 liters. Also in the top ten leaders are Estonia - 102.4 liters, Poland - 98.5 liters, Ireland - 98.3 liters, Croatia - 85.9 liters, Finland - 84.2 liters, and Romania - 83.2 liters [26]. In Ukraine, the per capita consumption is only 54 liters. Unfortunately, this doesn't imply that Ukrainians consume fewer alcoholic beverages; rather, it's related to the fact that Ukrainians consume more strong alcohol.

Overall, brewing plays a significant role in our country's economy. One job in the industry creates up to 10 jobs in related sectors. Moreover, in 2017, the state budget received 15 billion hryvnias, out of which 4.5 billion hryvnias came from excise duties [26].

As of today, the beer market in Ukraine is not in its best condition. Over the past few years, there has been a negative trend in production and sales of beer products (see Figure 3.1).

According to the announcement made by the CEO of "Ukrpivo" PJSC, Ms. H.M. Korenkova, the expert estimation of beer production volume in Ukraine for the year 2017 amounted to 178 million dollars [27].

This decline is associated with the deterioration of the economy, increased taxes and excise duties, as well as decreased purchasing power among the population. For instance, in the first half of 2016, prices surged by 27%, and since 2014, excise duties have soared by 319%: from 0.87 hryvnias to 2.78 hryvnias per 1 liter.

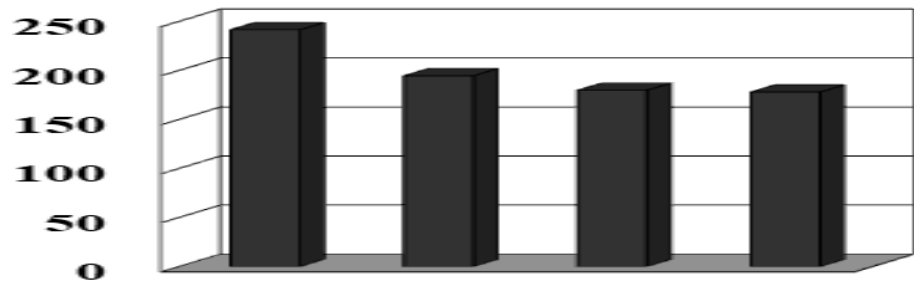


Fig. 3.1. Production of beer by enterprises of Ukraine in 2017-2020, million dollars [28]

Since 2015, the license for wholesale activities for mini-breweries cost 500,000 Ukrainian hryvnias. This led to many small enterprises being forced to cease operations due to the unprofitability of production. In our opinion, a viewpoint gaining increasing popularity is that one of the ways to increase the beer market's volume is through the development of craft brewing.

In the study by Kulchytska [29], craft beer is defined as beer brewed in a small brewery, mainly using unique author's recipes. The authors also note that not every brewery can be considered a craft brewery – it must meet certain criteria. At least 75% of the brewery's capital must be under its control. If the share of third-party capital exceeds 25%, the company's management must adhere to investors' financial requirements and cannot creatively approach the brewing process. Additionally, craft beer should be based on quality malt, and brewers should focus on enhancing the recipe and improving the taste, rather than attempting to reduce costs and the beverage's production price.

In 2017, this type of beer occupied about 1% of the market in Ukraine. For comparison, the share of craft beer in the US market stands at 25%. The growth of small breweries in the United States began in 1980. This change is associated with the enactment of a law by President Jimmy Carter in 1976, allowing the promotion of

homebrewing at the national level. This legislation enabled enthusiasts not only to brew beer for personal consumption but also to market their product to compete with large-scale enterprises dominating the market. This led to the emergence of the first craft breweries, which people opened in their garages [30].

Meanwhile, starting from the United States, the "beer wave" is spreading to all continents worldwide. In most beer-producing countries, the situation is similar to that in the US: only a small number of large traditional breweries dominate the national beer markets. In other words, craft beer is a counter-trend leading to independent beer profiles and beer specialties. Prime examples of this development are seen in beer markets in Italy, Japan, Denmark, and others. Germany stands out significantly from other beer markets. Particularly in Bavaria, there is no oligopoly of dominant beer companies. Instead, small and medium-sized breweries hold significant market shares in the German and Bavarian beer markets. These are craft breweries. In Germany, brewing has always had a craft aspect. However, international brewing trends have also influenced Germany, where more and more consumers seek more flavorful beer and master brewers concentrate on a variety of beer styles. This includes a return to old, partially forgotten beer types (Märzen, Weizenbock, etc.) and innovative development of unusual beer styles (Ale, IPA, etc.). This not only applies to the brewing specifics but also to the snacks accompanying beer, including calamari, sausages, and other snacks with a distinctive flavor profile that sets them apart from mass taste. Thus, impulses from the international craft beer movement have reached Germany, where they are thriving today. However, Craft Beer does not mean "the wilder, the better" or "if you can't think of anything, just throw in aromatic herbs." Craft Beer represents a qualitatively different modern approach to brewing [31].

In turn, the United States is a country that offers more styles (150+) and brands (20,000+) of beer than any other country or beer market in the world. As of the beginning of 2021, more than 6,000 brewing companies are responsible for beer brands available in the USA (Figure 3.2).

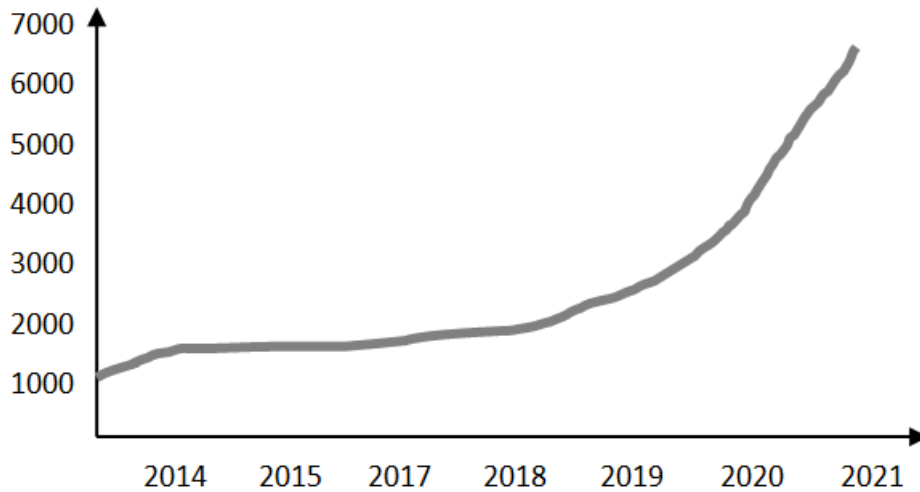


Fig. 3.2. Growth of craft production in the USA during 2014-2021. [31]

Up until 2018, small businesses in Ukraine specializing in wholesale beer trading lacked the ability to compete with the main market players due to the high cost of licensing, posing a significant challenge for them. In 2018, the government reduced the licensing fee for wholesale beer trading for microbreweries to 30,000 hryvnias, thereby supporting small enterprises. It's worth noting that in Ukraine, microbreweries typically produce no more than 30,000 hectoliters of beer per year, whereas in EU countries, these volumes reach 2,000,000 hectoliters annually, which is 70 times higher than in Ukraine [32].

The development of the craft brewing segment brings positive impacts for all stakeholders involved (producers, consumers, and the state as a whole). Studies [33, 34] identify the advantages of small breweries compared to large-scale factories:

- Proximity to consumers enables quicker response to their needs.
- The ability to rapidly change the product assortment.
- No necessity to spend a significant amount on advertising (consumers evaluate the product only after trying it).

For consumers, craft brewing holds significant importance, offering variety in choice and the chance to taste new recipes. Consumers are also attracted to the natural ingredients, which reduce the negative health impacts of beer consumption. Thus, craft brewing contributes to the growth of beer culture among the population. Currently, many

people consume beer not for its taste but to numb their consciousness and satisfy immediate needs. This trend needs to be changed.

For the state, particularly its budget, the development of craft brewing opens new avenues for revenue through tax and excise duty payments, as well as via the tourism sector (including gastronomic and "beer tourism"). For instance, in Belgium, which is no larger than the Kyiv region, there are about 600 breweries, while in Ukraine, there are only 125.

Different countries boast unique types of beer: banana beer in East Africa, hoppy beer with rice in Vietnam, bamboo beer in China, smoked beer in Germany, and corn-based beer in Mexico.

Craft brewing represents a promising direction for the beer market's development both in Ukraine and worldwide. Currently, the Ukrainian beer market falls behind European standards, complicating competition at the international level. The development of craft brewing offers numerous advantages for all stakeholders. To expedite this process, we can take cues from the experiences of other countries. For example, in the USA, there's the Brewers Association, which supports craft producers and fosters the development of this industry.

Therefore, craft brewing represents a promising path for the development of the beer market both in Ukraine and worldwide. Presently, the Ukrainian beer market significantly lags behind European standards, complicating competitiveness at the international level. Craft brewing offers numerous advantages for all interested parties. To expedite the resolution of this issue, we can adopt the experiences of other countries. For instance, in the USA, there's the Brewers Association, which supports craft producers and actively fosters the growth of such brewing. The organization hosts festivals and conferences for private brewers. In every interested country, craft beer festivals are held [33].

Additionally, there's the prospect of developing pubs oriented towards craft beer in our country. Typically, these pubs offer both Ukrainian and imported beers. Ukraine possesses all the necessary resources for the deployment and expansion of craft brewing. Primarily, it is essential to provide opportunities for new breweries at the legislative level.



This pertains to licensing, taxes, administrative expenses, preferential loans, and the bureaucratic process for opening a brewery.

### **3.2.Radical transformations of business processes at the level of the countries of the world as a motivation for the need for changes in the work of foreign enterprises**

In the conditions of a transitional economy, many industrial enterprises encounter problematic aspects in their economic activities. Among these problematic factors, we can highlight: reduced profitability of industry enterprises, loss of markets for finished products due to economic and political factors, decreased turnover speed of circulating capital and its amount, increased accounts payable, absence of standardization of industrial products and technological processes within the international quality system for client countries, and a high level of brain drain.

All of these factors contribute to a significant decline in the economic efficiency of business entities in the face of economic crises. Moreover, it's important to note the inefficient industrial policy in many countries, aimed at the decline of national producers. Consequently, there arises the necessity for crisis management in the operation of industrial enterprises through the development of an effective mechanism for radical transformations of business processes of economic entities.

These radical transformations encompass various types of innovative activities, including new organizational structures aimed at a fundamental increase in their economic efficiency, management methods such as benchmarking, crowdfunding, fundraising, outsourcing, business process reengineering, as well as organizational and economic support for conducting radical changes. The economic toolkit includes an orientation of economic monitoring towards business processes V and VI of technological systems in the activities of enterprises.

This mechanism, including a comprehensive assessment of the effectiveness of implementing radical transformations, aims to significantly enhance the competitiveness

of enterprises in the market. Hence, the relevance of the scientific research topic is undeniable and prompts its scientific substantiation.

In contemporary academic literature, there exists no unified viewpoint regarding the comprehensive understanding of implementing strategies for significant changes in business operations within industrial firms and appraising their technological preparedness for substantial advancements. This area remains inadequately explored in the context of fundamental alterations within the global economy, the adoption of measures to address the worldwide financial crisis by corporations across various nations, and their adaptation to evolving market landscapes.

Let's examine the worldwide competitiveness of different regions and identify their level of technological readiness for revolutionary innovations. The primary goals of this investigation include: evaluating the competitive positions of various countries such as Switzerland, Ukraine, and South Africa, and assessing their capability to execute radical innovations, specifically in reshaping business processes; identifying the necessary conditions for restructuring business operations; outlining the foundational aspects of organizational and economic support to facilitate significant changes in companies' business processes; and formulating recommendations for effectively implementing these changes.

Following an analysis of academic literature, it has been determined that when assessing the global competitiveness of regions and gauging their readiness for significant innovations, several indicators need consideration. These include an array of economic metrics that evaluate the need and effectiveness of radical transformations, encompassing assessments of enterprises' technological readiness and their innovation initiatives when appraising the competitiveness of industrial entities within a nation and their potential to adapt to substantial shifts. Additionally, there's a focus on indicator elements essential in structuring organizational and economic backing systems for radical changes in business processes.

Let's analyze the level of innovation activity of companies on a global scale as a prerequisite for carrying out radical transformations based on the report on the world's competitiveness in 2016 [35]. The choice of countries for this analysis is determined by

considering: leading countries; countries that are in a leading position; countries in the outsider zone; and countries as outsiders based on their level of global competitiveness (Table 3.1). The analysis for the block of indicators of commodity market efficiency and innovation among other countries was conducted.

Table 3.1 -Comparative analysis of indicators of global competitiveness of the countries of the world in 2021, u.o./rank [35]

Names of economic indicators	Switzerl and	USA	Austral ia	Southern Africa	Ukraine	Yemen
Availability of new technologies	6,4 (5)	6,5 (3)	5,7 (26)	5,4 (44)	4,3 (93)	2,9 (136)
Absorption technology at the enterprise level	6,1 (1)	6,0 (4)	5,4 (25)	5,4 (22)	4,4 (74)	3,3 (136)
FDI and technology transfer	5,4 (9)	5,1 (25)	4,8 (39)	4,6 (52)	3,7 (115)	2,8 (135)
Potential for innovation	6,1 (1)	5,9 (2)	5,1 (22)	5,0 (25)	4,4 (49)	3,1 (136)
R&D expenses of enterprises	6,0 (1)	5,7 (2)	4,5 (24)	4,2 (30)	3,3 (68)	2,2 (137)
Cooperation between universities and industry in the field of R&D	5,8 (1)	5,6 (4)	4,8 (18)	4,4 (27)	3,2 (90)	1,9 (138)
Implementation of new technologies	3,8 (28)	4,4 (11)	4,0 (16)	2,9 (99)	2,7 (112)	2,3 (135)
Patent applications	313,5 (3)	174,9 (10)	335,4 (1)	6,5 (47)	3,5 (51)	0,0 (121)

Index of global competitiveness	5,81 (1)	5,70 (3)	5,48 (6)	4,47 (49)	4,06 (75)	2,74 (138)
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The comparative analysis conducted reveals a significant discrepancy in the Global Competitiveness Index between the leading and outsider countries. For instance, when comparing Switzerland and Yemen, the shift in the Global Competitiveness Index amounts to 3.07 units or 138 ranks. This discrepancy is attributed to the varying levels of technological development, innovation, business environment, and institutions that influence the progressive development of countries and their readiness for radical changes.

The status of industrial companies in different world countries is characterized by varying levels of development. In the "technological readiness" block, an indicator characterizing technology absorption at the enterprise level is notable. In the leading country (Switzerland), this indicator stands at 6.1 units (1st rank), whereas in the outsider country (Yemen), it equals 3.3 units (136th rank). The range of values for this indicator is 2.8 units (136th rank) and reflects different capabilities of countries in implementing technology absorption in industrial enterprises, which includes the capacity of production structures for business process transformation. Problematic aspects in implementing technology absorption include a lack of circulating funds, absence of highly skilled workers, and a deficiency in the management's systemic knowledge for implementing radical technological transformations in business processes.

In the "innovation" block, attention should be focused on the problem of formulating expenditures of companies on R&D (Research and Development), characterizing the implementation of new scientific and design solutions in the production of industrial goods. Comparing this indicator between the leading country (Switzerland) at 6.0 units (1st rank) and the outsider country (Yemen) at 2.2 units (137th rank), the change in this indicator amounts to 3.8 units (137th rank). This reflects different financial capabilities of industrial companies in the respective countries to implement new innovative solutions in industrial production. The issue in implementing R&D in firms includes low circulating

funds, the use of outdated technological processes in production, and a lack of a comprehensive approach to studying customer demands for industrial products.

The main prerequisites characterizing the need for radical transformations of business processes (various types of reengineering) in industrial enterprises include:

- Low level of implementation of advanced technological processes in industries in many developing countries.

- Lack of available circulating funds for the effective operation of production company's business processes in developing countries.

- Non-conformity of industrial product manufacturing to ISO international quality standards in countries producing goods solely for the domestic market or those with transitional economies.

- Low activity levels of state institutions regarding funding development programs for the industrial complex and ensuring national producers' protection at the state level.

The main recommendations for the effective implementation of the mechanism for radical transformations of business processes in enterprises include:

- The readiness for conducting radical transformations should be justified by the prerequisites influencing the necessity of their implementation in company operations.

- Financial support from governmental management bodies whose policies are focused on systematically reforming industrial sectors within the country.

- Creation of a conducive investment climate in respective industrial zones engaged in reengineering business processes.

- Establishment of favorable tax benefits for enterprises executing radical transformations aimed at minimizing the economic risk associated with their implementation.

- Implementation of an effective employee motivation system involving participation in conducting radical transformations of business processes.

## Conclusions

The potent potential, extensive experience, and available resources present excellent opportunities for the industry's development and the economy as a whole. However, the Ukrainian industry must recognize the critical necessity for radical changes and transformations. The surrounding environment has fundamentally changed, and continuing with old practices will result in a painful departure from this new environment. Favorable conditions have been exhausted. The industry must cease association with the "Soviet planned economy" and the principles of activity associated with it.

A clearly defined focus for the industry should be innovation. Notably, innovation refers not only to technologies and end products but also to the organizational systems of all activity directions: innovative dialogue and cooperation between initial and final points of interaction, innovative information flow, innovative approaches to personnel management, innovative corporate culture, and attitudes toward production duties.

Modern challenges demand a shift in activity vectors, requiring the exploration of new markets and the creation of new products. However, as experience has shown, such goals are not achieved through the brightness of political statements or directive instructions. The emergence of a qualitatively new product requires the appearance of qualitatively new stages in its creation: marketing, technical research, development of specific products and size ranges, development of manufacturing technology, procurement of suitable equipment, material support, manufacturing, management, quality control, supply, commissioning, and service.

The listing starts with marketing for a reason. This particular area stands at the forefront of determining the enterprise's development vector and penetrates each stage in creating the end product. To significantly change the geographical content of the order portfolio, the principles of its compilation must change. Marketing must be constructed and function according to the principles of the environment it aims to manifest in. Therefore, the mentioned alignment unequivocally demands the implementation of reengineering measures, in this case – concerning the marketing activities of domestic industrial enterprises.

Researching the organizational and economic facilitation of business process reengineering in the marketing domain of manufacturing companies is a fundamental component in establishing an effective mechanism for conducting radical redesigning of business processes within industrial enterprises. This leads top management of these companies to have a correct perception of the necessity for transformations in the economic activities of the enterprises.

The development of conceptual approaches to implementing business process reengineering within the marketing sphere of industrial enterprises is essential in creating a methodological foundation for assessing the need and subsequent implementation of business process reengineering within the marketing domain of manufacturing companies. This forms a crucial aspect in navigating products into international markets.

When implementing business process reengineering in the marketing management of industrial enterprises, it is crucial to consider several organizational and economic aspects: economic factors (economic monitoring of changes), social factors (motivating staff towards change), and technical aspects (implementing process automation systems). Executing these organizational and economic measures will address the challenge of managing the marketing aspects of an industrial enterprise during the period of business process reengineering.

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