

Experience of Southern Machine-Building Plant Using a Special Team in Public-Private Partnership

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Abstract. Large Ukrainian machine-building enterprises are important for filling the state budget and are large employers. In our opinion, for the reform of Ukrainian machine-building enterprises that are state-owned, there is a need to attract funds from private investors, and first of all, when using various forms of public-private partnership. This allows you to create prerequisites to minimize the costs of a state-owned machine-building enterprise and to use the competencies and technologies of a private counterparty in the interests of this enterprise. The use of elements of public private partnership at state machine-building enterprises creates conditions for mutually beneficial, fruitful cooperation between private partners and the state represented by the enterprise, the result of this cooperation can be the creation of new products and technologies. The cooperation of private business with state-owned machine-building enterprises gives private business a chance to take part in projects in which its participation would be unavailable. However, at the same time, private business will also need to share the risks from the implementation of the project with state machine-building enterprises.

INTRODUCTION

Large machine-building enterprises play an important role in the economy of Ukraine, they are large taxpayers and employers and play an important role in the formation of social infrastructure. Many of them are in the state form of ownership. According to [1], an increase in the social and economic effect of the functioning of machine building enterprises can be achieved through an innovative and systematic approach to the management of these enterprises. A machine-building enterprise is located in an external environment that is subject to constant changes, and this, in turn, requires that when managing a machine-building enterprise, these changes are constantly taken into account, as well as measures to adapt to them.

According to [2], in order for a machine-building enterprise to retain market positions, it needs to constantly monitor consumer preferences, market segmentation, constantly expand the range of products and improve their quality

According to [3], an increase in the level of investment attractiveness of a large machine-building enterprise can be realized by effectively attracting private capital. One of the options for public-private cooperation may be a concession.

According to [4], the use of the concession mechanism at a large machine-building enterprise has the following advantages (Fig. 1):

Reducing the unemployment rate and the possibility of attracting

investment
Advantages of using
the concession
mechanism at a large

machine-building
enterprise

Reduction of the share of budget financing in the implementation of an	investment project. Obtaining state ownership of the modernized	production after the end of the concession
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FIGURE 1. Advantages of using the concession mechanism at a large machine-building enterprise

According to [5], the use of concession agreements allows attracting external investments for the development of a large machine-building enterprise and at the same time makes it possible to maintain state control over the production infrastructure.

In Ukrainian conditions, technical re-equipment and modernization of large machine-building enterprises is important, and this requires a large amount of investment resources, which enterprises do not have, and attracting them by the state in the financial markets is associated with high costs.

The commercial attractiveness of an investment project, from the point of view of a private investor, depends on the amount of income from the upcoming operating activities. The size of these revenues should exceed the size of the initial investments made.

In addition to the presence of a direct economic effect, investing in large machine-building enterprises creates a multiplier effect in the economy, which is associated with an increase in the economic activity of suppliers and contractors of these enterprises, and therefore an increase in the tax base.

Thus, the implementation of some investment projects may not be profitable from the point of view of private investors, but it is beneficial for the state.

Based on the analysis carried out above, to ensure the conditions for the effective development of the machine building industry, the participation of not only private investors, but also public investment within the necessary limits is required.

METHODS

When implementing this research work, its authors used an analytical method by which the studied problems were considered in their development and unity. Taking into account the tasks and goals of this study, a functional - structural method of scientific research was used. This allowed us to study a number of problems related to the use of a dedicated team in a public-private partnership at a machine-building enterprise.

RESULTS

We adhere to the point of view that one of the most effective forms of attracting private capital to large machine building enterprises is the use of outsourcing. Outsourcing involves the transfer of certain types of production and economic activities to an outside company that specializes in the necessary industry.

The widespread use of information Internet technologies has expanded into almost all spheres of human activity, and the total number of Internet users is becoming more and more every year.

This created the prerequisites for the widespread use of Internet marketing technologies, and the Internet itself has become a place where the sale and purchase of various kinds of information is carried out. According to [6], more than half of the world's population regularly uses social networks and spends a lot of time in them. This has contributed to the fact that about half of all sales are made through Internet technologies. A significant part of people uses the Internet primarily because of the use of social networks. According to [7], the advantage of Internet marketing based on the use of social networks is as follows (Fig. 2):

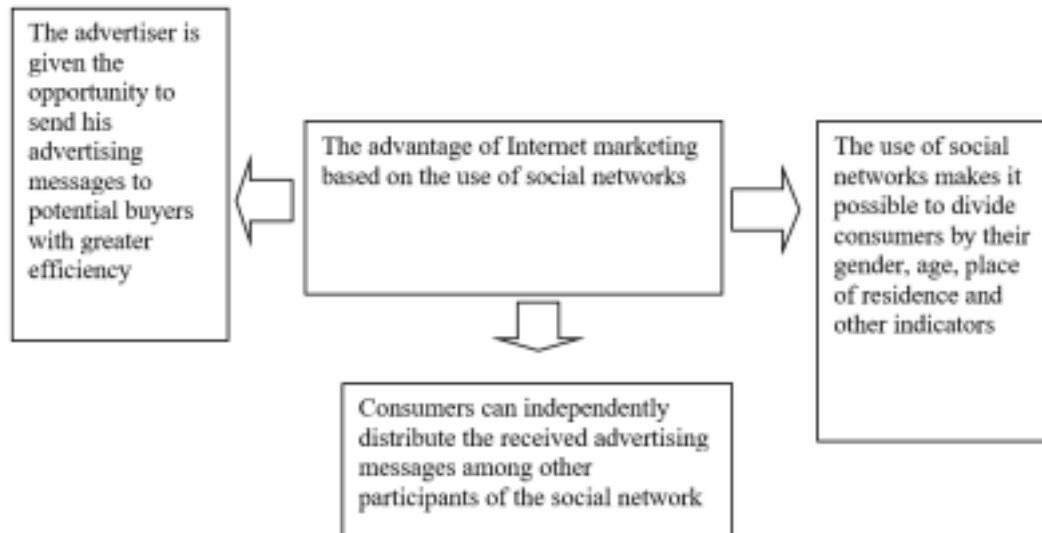


FIGURE 2. The advantage of Internet marketing based on the use of social networks

According to [8], social networks, by providing their users with their own comments, contribute to the growth of Internet traffic for commented goods and services.

According to [9], the introduction of social networks into business processes allows us to identify groups of consumers with similar consumer preferences.

According to [10], effective promotion of goods and services using social networks requires the development of effective virtual content. This, in turn, is not possible in the absence of qualified copywriters, PR managers, SEO specialists and targetologists.

We also adhere to the point of view that effective virtual content located on the pages of a social network allows us to provide consumers with the information necessary for consumers about goods produced by a machine-building enterprise, as well as effectively highlight the advantages of these goods over similar products produced by competitors.

The prerequisite for the implementation of this scientific research was an appeal to us from representatives of a large machine-building enterprise "Southern Machine-Building Plant", with a request to assist in the formation of a development team for the implementation of a project to promote consumer products carried out by this machine building enterprise in social networks.

At the same time, the customer did not imagine the upcoming scope of work, and the goals achieved during the implementation of the project could change depending on the results achieved at the intermediate stages, and at the same time, the customer did not want excessive costs for the implementation of the project.

We suggested using a dedicated team of programmers to implement this project. Following our recommendations, the customer carried out a set of third-party specialists, which included designers, copywriters, PR managers, SEO specialists and targetologists, and other specialists.

Since the dedicated team performed its work remotely and using its own equipment, and also rented and paid for the office space necessary for the implementation of the project, this allowed the customer to save on utilities. At the same time, the use of a dedicated team made it possible to involve highly specialized specialists for the implementation of the project, which the company did not have.

At the same time, during the project implementation, the customer had the opportunity to monitor the project implementation process and the work of a dedicated team. The amount of remuneration for the members of the allocated team was directly dependent on the timing and complexity of the task.

The use of such a scheme of project implementation allowed avoiding unnecessary costs for its implementation and achieving the necessary result faster than it was achieved in the case of implementing the project with the involvement of only the customer's employees.

DISCUSSION

Large state-owned machine-building enterprises of Ukraine have a significant impact on filling the state budget and solving the problem of employment of the population. But at the same time, the functioning of Ukrainian mechanical engineering is associated with certain problems (Fig. 3).

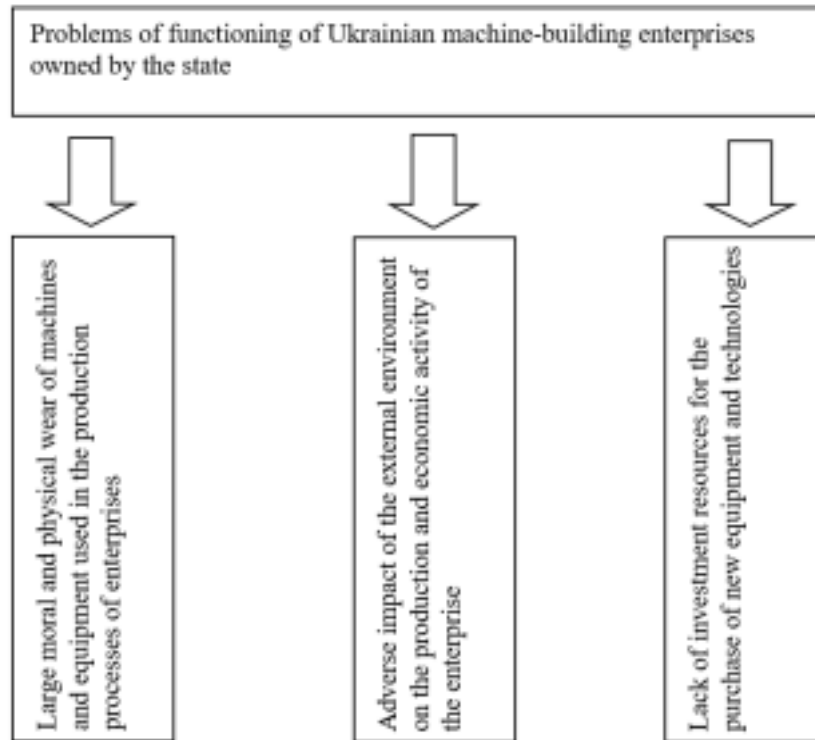


FIGURE 3. Problems of functioning of Ukrainian machine-building enterprises owned by the state

According to the authors, for the reform of Ukrainian machine-building enterprises that are state-owned, there is a need to attract funds from private investors, and primarily through the use of various mechanisms for the implementation of public-private partnership. This will create an opportunity, on the one hand, to minimize the costs of a machine-building enterprise, as well as to use the competencies and technologies of a private counterparty

CONCLUSIONS

The use of elements of public-private partnership at state-owned machine-building enterprises creates prerequisites for mutually beneficial cooperation between the state and private partners, the result of which can be the creation of new products and technologies.

The cooperation of private business with state-owned machine-building enterprises allows private business to participate in projects in which its participation would be unavailable. However, at the same time, private business will need to share the risks from the implementation of the project with the state.

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