

Based on this, the main task of implementing management technology is to organize the production of goods and services based on consumer demand based on available resources. The tasks of implementing management technology also include: the transition to the use of highly qualified staff; stimulating employees of the enterprise by creating appropriate criteria and payment system for their work; identification of necessary resources and sources of their supply; development and implementation of business development strategy; determination of specific goals of enterprise development; constant search and development of new markets; Development of a system of measures to achieve this goal; exercising control over the efficiency of the enterprise, over the implementation of tasks⁵.

These approaches should be included in the basic principles of management technology implementation. As world practice shows, the human factor plays a very important role in modern production and implementation of management technologies.

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5 Donchak LG Formation of the internal economic mechanism of the enterprise Agroinkom. - 2012. - № 10-12. - P. 77 - 81.

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SMALL ENTERPRISE AT THE END OF THE TWENTIETH CENTURY

The last decades of the twentieth century are characterized by a sharp increase in the number of small businesses in economically developed countries. As practice shows, each country uses its own set of definitions, which corresponds to its economic system and the peculiarities of business development. According to World Bank experts, there are about 50 definitions of small business. Initially, only quantitative indicators were introduced to characterize it – the number of employees; revenue (turnover); book value of assets, etc. And today they are the most common. The legislation of most countries provides for the use of several similar characteristics, depending on the field of activity of enterprises or other important factors. However, although these criteria are convenient due to their accuracy, being only absolute values, they cannot take into account all the features of small business. In this regard, qualitative characteristics are also used.

In developed countries, the main criteria are the number of staff and annual turnover¹. In world practice, all enterprises with up to 500 employees are classified as small and medium enterprises. For example, in the United States, a small enterprise with a staff of up to 500 is considered small, although the process of determining the criteria has been going on since the question of the status and role of small business in the country's economy was first raised. At the governmental level, the discussion of the characteristics of small business has been going on since 1953, after the adoption of the federal law on small business, and continues to this day. In European countries at that time, the criteria for determining small business were somewhat different. For example, in Germany and France, a small business was a company with up to 50 employees. In Italy, the division into micro-enterprises (up to 20 employees) and small enterprises (up to 100 people) was used².

In the countries of Central and Eastern Europe, these characteristics ranged from 30 to 50 people³.

Subsequently, to improve the existing definitions, the European Union developed a scale of criteria for small business by number of employees: micro-enterprises – 1–9; small business – 10–99; average – 100–499; large – more than 500⁴. In other countries, such as Japan, to classify the enterprise as small, the number of employees is defined – up to 300 workers (in industry, construction, transport); up to 100 people (in wholesale trade); 50 (in retail trade) or capital over 100 million yen, and for trade enterprises – no more than 10 million yen. In South Korea, small enterprise criteria determine the number of employees, the amount of assets and the volume of annual sales. In India, respectively, the number of employees and the level of energy consumption⁵. So, as we can see, the division into small, medium and large enterprises is somewhat conditional, depending on the criteria used. Each country uses its own set, which corresponds to its economic system and the peculiarities of the development of the business sector. A clear and sound definition of the criteria for small and medium-sized businesses is very important for the country, because based on these characteristics, governments develop the main directions of socio-economic policy, identify, in fact, the subjects of state support for small business.

1 Shpak V. I. (2015) *Vydavnychyy biznes v umovakh ukrayins'koyi derzhavnosti* [Publishing business in the conditions of Ukrainian statehood]: monohrafiya. K. : DP «Expres-ob'yava». 392 p. P. 74.

2 Ibid. P.75.

3 Storey D. (1995). *Understanding the Small Business Sector*. London: Routledge. P. 13.

4 Lyapin D. *Rozvytok maloho pidpryyemnytstva v Ukraini ta yoho normatyvne zabezpechennya* [Development of small business in Ukraine and its regulatory]. URL : [http:// old.niss.gov.ua/Monitor/april08/15.htm](http://old.niss.gov.ua/Monitor/april08/15.htm)

5 Kapinos R. *Small business in the world economy and the economy of Ukraine* // *Business-inform*. 1995. № 27–28. P. 28.

Analysis of the actual medium-term number of employees in small enterprises of Ukraine as of the mid of 90s. showed that on average 11 people worked in this sector (in industry – 17; construction – 20; science and scientific services – 10; transport – 14; consumer services – 11; trade – 8)⁶. However, the existing criteria for determining small business was in the Law of Ukraine «On Entrepreneurship in Ukraine» did not meet the existing realities. For industry and construction was determined by the number of staff up to 200 people, for science and scientific and technical services - up to 100 people, other industries – up to 50, non-manufacturing – up to 25, retail, respectively, up to 15 people. As a result, domestic and international structures that worked in the field of small business or engaged in its support were forced to mostly use their own criteria in practice, different from those adopted by law. In this regard, the Decree of the President of Ukraine «On state support of small business» introduced new criteria, which provided for the allocation of micro-enterprises – with up to 10 employees and annual sales of products (services) amounting to UAH 250 000, as well as small enterprises (up to 50 employees and annual revenue – up to UAH 1 million). In 2000, the average number of employees in small enterprises was 7–8.

In general, the controversial nature of many theoretical aspects of business development is obvious. However, for specialists who study this topic, it is understandable, natural, because it has an objective basis. Entrepreneurship is not a constant value, but, above all, an economic phenomenon that should be viewed at a wide angle. The nature of its functioning in different countries is influenced by the general features of socio-economic development and the specifics of the economic model, which, in turn, are determined by the mentality of the people, formed evolutionarily, under the influence of various factors, including socio-political development.

World experience convincingly proves that the full functioning of a market economy is impossible without developed sectors of both large and small and medium-sized businesses. Unlike large enterprises, small businesses, in addition to small sizes, have limited financial resources; much wider range of products and services; pricing policy focused, as a rule, only on cost indicators; lack of market control; depending on competition and market conditions, etc. However, he has the ability to respond very flexibly to changes in demand, change the organizational structure, take advantage of teamwork, quickly make decisions. The traditional sphere of activity of the SB is wholesale and retail trade, public catering, construction, production of consumer goods, household and other services, etc.,

6 Reverchuk S. K, Krupka M. I (1996).Anatomy of small business. Lviv : Dialogue. 96 p. P. 6.

where the flexibility of small business and other advantages over large ones are clearly visible. Thus, this is one of the many functions of small business – to ensure the harmonious development of the economic structure as a whole.

In world practice, most small companies are somehow connected with big business, and the growth of cooperation between small, medium and large enterprises is a characteristic trend of modern economic development. The vast majority of small and medium-sized enterprises work «under the order of a large company». Thus the production process is decentralized. For example, out of 50 thousand suppliers of the Siemens concern, two thirds are small and medium-sized companies⁷. The most common modern form of integration of large and small businesses is franchising. This form allows the SB to function as a separate independent unit, but according to the rules. «Franchisees», as a rule, receive the right to produce products under the brand «Franchisor», its know-how, committing to adhere to established standards for the production and sale of goods (services). However, in addition to the presence of specific economic challenges in society - a potential prerequisite for the development of small business, its real situation is determined by a number of diverse factors that may in one way or another slow down or stimulate this process. These mostly include financial and economic factors and the quality of state support for entrepreneurship.

History shows that the most important reasons for the rise of entrepreneurship in industrialized countries are: removal of administrative and legislative restrictions (deregulation), intensification of tax and financial incentives for entrepreneurship, encouragement of research and production cooperation, openness of the economy to foreign business, tax and administrative reforms. All this opened small industries to new industries and opportunities for entrepreneurial initiative.

Following the United Kingdom in the 1980s and the first half of the 1990s, more than 100,000 state-owned enterprises were privatized in more than 100 countries, including hundreds of thousands of small shops, service companies and agricultural farms. In Western Europe, this process was particularly active in France, Germany, Austria, Italy, Sweden, Greece, Portugal, Spain, etc. Small-scale privatization has become one of the main factors in the formation and growth of small businesses in Central and Eastern Europe.

The rise of small business has been most intense in the latest technical and technological changes related to innovation and information technology. In

7 Chernysh O. V. International experience of support and development of small business // Finance of Ukraine. 1999. № 1. P. 114.

general, since the late 80's in developed countries there has been a clear growth of the venture capital market, increasing diversification of financial institutions, which has expanded the possibilities of financing a new type of venture capital.

In the late 70's there was a powerful network of business education, small business promotion. The access of citizens and organizations to information in state bodies was expanded, the patent and licensing system was strengthened, and the network of data banks was developed. There was the emergence and rapid branching of a network of organizations specializing in the production of new business (incubators, innovation centers) and maintenance of market infrastructure.

Small business has become an important factor in reforming and democratizing economies in transition. Researchers note its leading role in building a market economy and improving living standards. At the same time, small business is an important factor in restructuring the economy, developing new industries, business school, which provides effective management skills, forms the creators of new business and new ideas, is the key to success in democratizing society as a whole.

By developing civilized competition and, in general, contributing to the qualitative growth of the technological level during the transformation of socio-economic systems, small business has demonstrated its important social role, acting as a source of employment for inefficient national economies liberated during restructuring. For example, in the Czech Republic in the mid of 1990s about 23% of the working population was registered as an entrepreneur, one third of them worked in the small business sector. In the countries of Central and Eastern Europe, small business has demonstrated its important role in overcoming the crisis, especially in stopping the fall in GDP and ensuring its growth. For example, from 1989 to 1994, the share of the private sector in GDP increased from 25% to 55% in Poland, from 7% to 55% in Hungary, and from 0.5% to 60% in the Czech Republic. In the Czech Republic from 1990 to 1994, their number increased from several thousand to 1 million⁸.

It can be concluded that entrepreneurial initiative in the system of small business can significantly accelerate the structural transformation of the national economy, stimulate civilized competition, additional budget revenues. At the same time, new jobs are created, conditions are created: to increase the socio-economic situation of the population, to receive an adequate salary, and thus – the formation of the middle class – the basis of stability of a democratic state.

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8 Defillippi R. Small Business Development in the Czech Republic // Review of Business. 1995. № 3. P. 3–8.