

СЕКЦІЯ 7

ПІДПРИЄМНИЦТВО У СФЕРІ ЖИТТЄЗАБЕЗПЕЧЕННЯ МІСТ І РЕГІОНІВ

ENTREPRENEURIAL ADAPTATION OF LIFE SUPPORT (UTILITY) ENTERPRISES TO THE MODERN CONDITIONS

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The utility industry is forced to respond to constant changes in the business environment. However, given the specifics of the functioning of utilities, they need to learn from entrepreneurs how to become more flexible, efficient and modern.

Today's economic and environmental realities require that the energy efficiency, resource saving (enterprises of the water consumption, wastewater, gas, transportation and others) should be given more attention and business leaders should participate more than ever. The utility industry is looking for innovation and entrepreneurs to generate ideas to change its business model, taking into account stricter rules of operation. The utilities industry needs large-scale renovation to meet environmental and business standards. One of the specific aspect of this is, of course, also residential consumption.

For example, according to the National Report on the Quality of Drinking Water in the country in 2021, it is determined that on average in the country, 28%

are water losses. And in some regions (for example, Chernivtsi) it reaches - 62%, which is unacceptable, given the lack of water resources and the need for resource saving [1].

In California, peak demand is growing at about 2.4 percent per year, roughly the equivalent of three new 500-megawatt power plants. But utilities are under pressure to do more with less, which means finding ways to encourage energy consumers to save power [2].

Considering some features of the life support enterprise management, when determining the term "entrepreneurial adaptation of the enterprise", one should take into account:

- Utilities provide life support services in a clearly defined area. Their services cannot be quickly transferred to other territories, nor can they be stopped or replaced by alternative ones;

- Utility enterprises are sanctioned monopolists, artificially held bankrupts, and the property complex of communal enterprises belongs to local communities and should be under their control;

- Utility enterprises are under the increased external influence of state institutions and the owner of the property. Therefore, the factors restraining their development are systemic in nature and are called inadequate management [3,4].

Relying on the above features, we come to the conclusion that the enterprise's life support of cities, in their current state, is limited in their ability to change the conditions of external management. This means that their adaptation, although it coincides with the general view of its purpose, has specific features. They consist in the fact that the adaptation of urban life support enterprises should focus on entrepreneurial orientation.

For instance, to adapt the utility enterprise to the real business circumstances the The City Council of Fountain Colorado establishes a special “Storm Drain [Utility enterprise](#) fund” to handle all income, expenses and other financial transaction related to the Storm Drain Utility. Money in the Storm Drain Utility enterprise fund shall not be commingled with or transferred to other City funds. All fees, rates, and charges shall be credited and deposited in the Wastewater Utility enterprise fund. The results of the Wastewater Rate Study include a financial plan and rate structure designed to provide revenues sufficient to fund the ongoing operating and capital costs necessary to operate the City’s Utility, while meeting the financial requirements and goals set forth by the City for the Utility enterprise fund [5].

According to the financial model, [Electric, Water and Wastewater Utility Enterprise](#) means the utility activity business owned by the City generally known as the “City of Fountain Electric, Water and Wastewater Utility Enterprise,” which is a government-owned business that receives under 10% of its annual revenues in grants from all State and local governments combined [6].

One of the directions of entrepreneurial adaptation of communal enterprises is “Utility as a platform” [7].

Companies like Google, Facebook, and Apple learned years ago that they would be much more effective if they expanded from providing services to offering platforms. Platforms play host to entire technology ecosystems by inviting developers, partners and users to collaborate and innovate. Like healthcare or education, a majority of utility companies are working with antiquated infrastructure. By becoming more platform-centric, the utility industry will flourish in the future.

"When utilities engage customers in smart energy practices, customers see the value and impact of their usage while driving positive, measurable outcomes for utilities," explains Yoav Lurie, founder and CEO of Simple Energy, a web platform that uses social game mechanics to motivate customers to save energy. "By leveraging creative, platform-driven collaboration, utilities can better transform customer and consumption data into digital experiences that inspire people to take action" [8].

Therefore, necessity of the reform at the utility enterprises does not require additional justification, since the real consequences of its inefficiency, or rather the inadequacy of the requirements of the time, were clearly determined by the results of the current activities of these utilities. This applies to both their financial and economic stability, and production - economic reliability.

But a full-fledged, full-scale reform in this area requires long-term investments, shortages, which even priority measures to modernize production do not allow. The inability to carry out the restoration and development of production and commercial activities is a lack of management, its inconsistency with market conditions, which does not allow taking advantage of either financial or technical resources of business.

Thus, the creation of conditions that would allow to take advantage of the innovative and investment potential of the market environment is a fundamental issue of modern management of utilities, and the adaptation of their management system to market conditions and the acquisition of the qualities of investment

attractiveness of these enterprises is a necessary condition for sustainable development as a whole.

The Sustainable Development Goals (SDGs, also known as the Global Goals) are key areas for the development of countries adopted at the UN Sustainable Development Summit. They replaced the Millennium Development Goals, which expired at the end of 2015. The SDGs were adopted for the period from 2015 to 2030 and have 17 Global Goals, which meet 169 objectives.

The official document (resolution) of the UN General Assembly Transforming our world: the 2030 Agenda for Sustainable Development, dated September 25, 2015, announces a new action plan aimed at bringing the world on the trajectory of sustainable and resilient development [9].

Thus, the adaptation of life support enterprises meets the main goals of sustainable development [10].

At the state level, the Sustainable Development Goals are enshrined as guidelines for the development of program and forecast documents [11].

In 2019, the Cabinet of Ministers of Ukraine at its disposal approved a list of indicators, in the context of which data is collected to monitor the implementation of the Sustainable Development Goals and publish data and coordinate work on the development of metadata on indicators. Thus, the measurement of social progress in general and the improvement of the system of national statistics were initiated [12].

In July 2020, Ukraine presented the first Voluntary National Review of the State of Achieving the Sustainable Development Goals to the world community at the High-Level Political Forum on Sustainable Development under the auspices of the UN Economic and Social Council [13].

In 2021, constant monitoring of indicators for achieving the Sustainable Development Goals was introduced.

Thus, the adaptation of the activities of utilities to the requirements of sustainable development is part of the management reform strategy, which, on the one hand, allows you to take the first steps to get the enterprise out of the crisis and start development, on the other hand, it is an incentive to introduce a mechanism of the entrepreneurial adaptation of the utility enterprises.

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WHAT HOLDS BACK THE DEVELOPMENT OF INNOVATIVE PROCESSES IN UKRAINE

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The success of innovative development of countries and regions is determined the quality of existing national (regional) innovation systems, the main subjects of which are government bodies, scientific and educational complexes, industry, including small business sector and innovative infrastructure institutes. The effectiveness of such systems, in turn, is determined by the innovative activity of each of these subjects, the level of their cooperation and coordination of activities.

Indicators of innovative development of Ukraine are very low and consistently decreasing. For several years, in the ranking of the World Economic Forum on competitiveness, Ukraine was overtaken by Colombia, Vietnam, Sri Lanka, and the Philippines, and Romania, Botswana, Egypt, and Jamaica come in