

## VALUE CHAINS CONCEPT: ANALYSIS APPROACHES

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The aggravation of competition between manufacturers leads to a constant search for innovations that provide the long-term competitive advantages of an economic entity, as well as its stable functioning in a dynamically changing external environment.

In modern conditions actualized the problem of constructing a value chain, which, on the one hand, makes it possible to improve the economic entity's own economic efficiency and on the other - does not burden the implementation of it is not characteristic activities and does not reduce the effect of specialization.

The concept of value chains is based on the idea of M. Porter [1] about corporate value chains, as well as on the previously developed concept of supply chains in logistics. As a result of the use of outsourcing by modern industrial companies, a distributed production model has been formed, in which individual technological operations are localized in various regions of the world, which has made it possible to reduce total costs and increase the flexibility of the production process. Thus, the final product is created within the global value chains, where each country specializing in certain technological operations contributes to the value added of the product. The key actors in the industrial sector of the world economic system are not national economies, industries and companies, but global value chains, which are an intermediate form between centrally managed structures and the market.

Fundamental provisions of the concept of value chains were formulated by M. Porter, as well as continued in the writings of G. Gereff, R. Kaplinsky & M. Morris. Foreign scientists-economists P. Grant, A. Thompson & A. Strickland, J. Schank & V. Govindarajan, M. Rother & J. Shuk, as well as Russian scientists M. Melnik & V. Kogdenko, D. Saveliev, S. Tolkachev, D. Tatarkin & O. Bryantseva & V. Dyubanov, O. Yuldasheva & O. Yudin, L. Maslennikova, V. Repin, R. Khasanov, T. Andreeva and others made significant contributions to the development of the theoretical and methodological foundations for the formation and evaluation of the effectiveness of value chains.

Practical research in the field of product value chains in certain sectors of the Russian economy is reflected in the scientific studies of S. Avdasheva & I. Budanov & V. Golikova & A. Yakovlev, N. Rubtsova, A. Yudaev, T. Andreeva.

Belarusian scientists V. Baynev, N. Bogdan, A. Bykov, V. Gusakov, R. Ivut, L. Nekhorosheva, T. Kasayeva, I. Poleschuk, P. Rezkin, D. Rutko, V. Fateev, V. Shimov, O. Shimova, V. Shutilin, G. Yasheva, etc. are also involved in issues of managing value chains and supply chains, as well as network structures in industry.

At the same time, several problems associated with the formation of an effective value chain in specific sectors of the national economy are due to insufficient theoretical and methodological development.

There remain debatable questions about the assessment of the effectiveness of value chains and the choice of key activities in their formation.

Building an effective value chain, in the opinion of most domestic and foreign scientists and economists, is the most important factor in increasing the competitiveness of business entities and, as a result, the country's economic growth. Taking into account the theoretical research,

it can be argued that the value chain consists of consecutive links - activities that are aimed at creating the value of the final product, i.e. product of value to the buyer, and are performed in a chain of economic entities or their units. The main purpose of these activities is to increase the efficiency of the entire value chain or its individual link and maximize long-term profit.

As part of the concept of value chains, the function of participants in the entire value chain is revealed in relations with the external environment (suppliers, consumers) - the transformation of the flow of incoming resources into a valuable product for the consumer. A value chain is a system of interrelated activities, the links between which allow to identify alternative ways of implementation, which can later lead to competitive advantages.

The study summarized and supplemented the classification of value chains for several characteristics [2]:

- type of management (managed by the manufacturer or consumer);
- the dominant link (with the dominant supplier / consumer / intermediary / manufacturer);
- the place of the entity in the value chain (supplier, manufacturer, distribution channel, consumer);
- interaction intensity (with high or low interaction intensity);
- the duration of interactions (non-recurring (short-term) or repetitive (long-term) value chain);
- coordination (coordinated, polycentric);
- method of construction and detailing (standard (according to M. Porter), unique);
- type of integration (integrated up, integrated down, fully integrated, specialized);
- scale (individual product, division, individual business entity, industry, global);
- territorial basis (local, regional, national, international);
- ownership (state, private, mixed).

The classification of value chains allowed generalizing and systematizing the theoretical principles of the concept of value chains, as reflected in the works of domestic and foreign scientists, as well as deeper revealing the essence of the category "value chain".

The results of a comprehensive analysis of value chains predetermine the further development of the business entity and industry, as well as contribute to the proper evaluation of competitive strategies in order to increase the efficiency of their activities.

The study of scientific papers in the field of research on the concept of value chains has shown that all existing methods of analysis can be grouped into five approaches [3]:

- 1) assessment of the value chain of an economic entity regarding the efficiency and optimality of building a business process system;
- 2) assessment of the competitiveness of the value chain;
- 3) assessment of the chain in terms of the cost approach;
- 4) assessment of the chain from the standpoint of differentiation;
- 5) assessment of the consumer value of the proposal of a business entity as a result of the functioning of the value chain.

Based on the analysis of existing approaches to the assessment of value chains, it can be concluded that there is no universal methodology for assessing chains of this kind.

The study proposed the use of an integrated approach that will take into account various aspects of the listed approaches to assessing value chains, which will improve the quality and effectiveness of the analysis of value chains, conduct a more complete analysis of the activities of an economic entity and formulate a strategy that ensures its high level of competitiveness and sustainable economic growth.

It is proposed to use value added instead of the currently most common profit as an indicator for assessing the performance of value chains [4].

The “value added” indicator has a special practical significance in forming value chains and evaluating its effectiveness:

- characterizes the overall efficiency of resource use and takes into account the economic interests of internal (owners, employees) and external (state) participants in the value chain;
- allows you to determine the exact contribution of the employee to the creation of new value in the framework of the value chain and a particular link in particular;
- it makes it possible to improve the system of labor remuneration of an employee through the establishment of the dependence of the size of his remuneration on the value of the added value created (observance of the rule of faster growth of labor productivity over the rate of wage growth);
- allows you to determine and, if necessary, change the share of external contractors (suppliers of material resources) in the value of the product;
- makes it possible to determine the dependence of one link (enterprise) on another within the framework of one value chain;
- allows you to determine the controlling link in the value chain by structural division of its participants (suppliers, producers, consumers);
- prepares a basis for studying the connections between the links of the value chain and their organizational and economic relations in the process of formation and functioning of the value chain in order to increase the efficiency of activities, competitiveness and sustainability of each individual link, as well as identify sources and ways to increase the value of the product (product services) for the end user;
- allows you to resolve issues regarding the construction of a new or improvement of the existing value chain.

A synthesis of methodological approaches to the determination of value added confirms the need and importance of calculating this indicator. Obviously, the added value for each individual economic entity will be different, but its formation in vertically integrated structures will be much more efficient.

It has been proven that a properly built, productive value chain is the basis for a stable and efficient functioning of an economic entity, industry and national economy as a whole. This concept is one of the key tools in overcoming the existing crisis phenomena in the economy.

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### **КОНЦЕПЦИЯ ЦЕПОЧЕК СОЗДАНИЯ СТОИМОСТИ: ПОДХОДЫ К АНАЛИЗУ**

*Исследование посвящено современной концепции цепочек создания стоимости. В работе определены теоретические аспекты исследуемой концепции, представлена классификация цепочек создания стоимости, изучены существующие подходы к анализу такого рода цепочек, а также определен авторский подход на основе экономического показателя «добавленная стоимость».*

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