So, the introduction of the proposed above measures into its practice can make the work more effective due to the long-term vision of its development.

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THE CHOICE OF ENTRY MODE IN SEQUENTIAL FOREIGN DIRECT INVESTMENT

VIKTORIYA VAVILONSKAYA
Polotsk State University, Belatus

Nowadays many companies decide to go international or are already internationalized. Companies produce abroad, get their materials from different countries, sell their products and services abroad or even transfer the whole departments to a foreign country. International business differs from domestic business because crossing boarders means dealing with different environments. Therefore, the questions explored in this article are relevant.

The choice of an entry mode type is an important part of a firm's foreign investment strategy [1]. Companies who enter a foreign market can choose from different entry modes. The choice of entry strategy becomes particularly significant, not only for the success of a new product but also for the performance of the total new business internal development effort in the firm [2].

Entry modes can be classified in three categories: Export entry modes, Contractual entry modes and Investment entry modes [3]. The entry modes are described and the advantages and disadvantages are listed in table 1.

Table 1 – The advantages and disadvantages of different entry mode types

Indirect exporting	Direct exporting	Licensing	Investment entry
Advantages			
Low start up costs	Low start up costs	Low transportation costs	Low production and transportation costs
Share risks	Full control	Share risk	High control
Demands little market knowledge	Marketing advantages	Demands less market knowledge	Marketing advantages
International learning experience	Full protection of trademarks	Access to resources and local customers	Access to resources and local customers
Easy to stop	Easy to stop	No import restrictions	No import restrictions
Disadvantages			
High transportation costs	High transportation costs	Lack of control	High start up costs
Share profit	High risk	Share profit	High risk
Import restrictions	Market knowledge is needed	Risk of creating a competitor	Market knowledge is needed
	Import restrictions	Share technology and trademark	Long payback period
		Can not use other entry mode during licence	Difficult to quit

1. Export entry modes are entry modes where the product is manufactured in a different country. You can distinguish two main kinds of export; indirect export uses middlemen who are located in the companies of their own country and who actually do the exporting and direct exporting which does not use home country middlemen, although it may use target country middlemen [3]. Exporting is essentially the transfer of products or services to a target market.

2. Contractual entry modes are long term non equity associations between an international company and an equity in a foreign target country that involve the transfer of technology or human skills from the former to the latter [3]. Contractual entry modes are: licensing arrangement, franchising, technical agreements, service contracts etc. In a licensing arrangement a company transfers to a foreign entity for a defined period of time the right to use its industrial property in return for royalty or other compensation. Franchising differs from licensing in motivation, service and duration. With franchising the foreign company also gets the right to use the company's name, trademarks and technology. Franchising is not suitable for products which require substantial capital investment, high levels of technical competences and service products.

3. Investment entry modes involve ownership by an international company of manufacturing plants or other production units in the target country [3]. You can classify sole ventures with full ownership and control (new establishments or acquisitions) and joint ventures with shared ownership and control. Investment entry involves the transfer to a target country of an entire enterprise.

The choice of an entry mode is influenced by several criteria. The articles used for the entry mode criteria are found using the databases of "JStore" and "Web of Science". The keywords "entry mode" and "criteria" are used to find relevant articles. And the articles that were the most relevant are used and are listed in table 2.

Table 2 – Criteria which have an influence on entry mode type

		Root (1994)	Pehrsson (2006)	Chan Kim & Hwang, (1992)	Brouthers & Nakos (2004)	Block & MacMillan (1994)	Chang & Rosenzweig (2001)	Brown, Dev & Zhou (2003)	Buckley & Casson (1998)	Burgel & Murray (1998)		Times mentioned
Home country	Market size	X					X					2
	Concentration of competition	X					X					2
	Production costs	X								X		2
	Barriers	X			X		X					3
Target country	Sales potential	X						X				2
	Concentration of competition	X		X			X					3
	Marketing infrastructure	X										1
	Production costs	X										1
	Trade barrier (risk)	X		X	X		X					3
	Geographical distance	X										1
	Cultural distance	X					X	X				3
	Location familiarity			X								1
	Resource availability							X				1
	Costs							X	X			2
Company	Diversification					X						1
	Commitment	X										1
	Control requested and present		X		X							2
	Value of firm specific knowhow			X				X				2
	Company size	X			X	X	X	X		X		6
	Threat to existing customers					X						1
	Experience abroad						X			X		2
Product	Level of technology	X							X	X		3
	Product adaptation	X										1
	Property protection					X						1
	Level of customization	X								X		2

All criteria are categorized in four main groups: home country, target country, company and product characteristics, because some authors use these four groups. Criteria of authors that did not mention the groups are put into the groups. Not every author uses the same definition or use different words. For example trade barrier, one authors mentions trade barrier and explains it as different kinds of risk, while the other author mentions risk explicitly. Risk and trade barrier are not mentioned as separate sub criteria but as one in this example trade barrier. Some criteria have some overlap in the other group like property protection. Property protection can be put in company and product characteristics. It is however put in the group product characteristics because it influences the product specifically.

This research focuses on the four main groups and its sub elements mentioned in table 2 except for production costs because nothing is produced. The last column of table 2 represents the number of times the criterion was mentioned by the authors.

This analysis includes target country characteristics which are also mentioned in the country selection. There is a small overlap of the two analyses. In this Master thesis the two steps are deliberately separated and dealt with individually.

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THE FORMATION AND THE EVALUATION OF KNOWLEDGE MANAGEMENT SYSTEM AT THE ENTERPRISE IN THE KNOWLEDGE ECONOMY

ANASTASIYA VASHCHENKO
Polotsk State University, Belatus

The article describes the mechanism of formation and transformation of knowledge from the static to the dynamic levels. It puts forward the classification of knowledge possessed by the staff of the organization. And on this basis the criteria for evaluating the level of knowledge management in the enterprise is stated.

The formation of the mechanism of knowledge economy implementation in the organization depends on the human capital ability to transform information into knowledge and to create knowledge. Therefore human capital and its potential is the instrument for creating a system of knowledge management. The object of knowledge management is the knowledge itself.

Knowledge management is seen as the process of transformation of the intellectual asset of a business entity to its brain capital that makes profit by creating a system of knowledge and its management [1].

Effective knowledge management involves the use of a systematic approach which includes the following subsystems:

1. Intellectual property such as patents, know-how, technologies, as well as ongoing research and development.
2. The competence of the staff (qualifications, professional experience, skills).
3. The internal documentation (regulations, enterprise standards, rules of activity).
4. External sources of information and knowledge used in the economic activity of the enterprise (state standards, specifications, regulations, special and technical literature).
5. The interaction of employees (communities of practice, supervising).
6. The corporate culture that promotes corporate knowledge management, exchange and dissemination of creating the atmosphere of trust between employees – a culture of knowledge (basic attitudes, values, behavior).
7. Information and communication infrastructure (CRM-System, DSS-technology, ERP-systems, DPM-system, data flow, database, knowledge base, etc.).

Figure 1 shows a system map of knowledge that clearly shows the interaction of the subsystems mentioned above.

This map shows the grouping elements of the system of corporate knowledge according to the degree of formalization to the explicit and implicit, which in turn can be divided into individual and collective. In addition, the proposed map reflects the interaction of explicit and implicit knowledge as well as the possibility of an economic entity in regards to the property rights: ownership, disposal, use.

Knowledge system map includes the availability and use of information in the organization. It determines the knowledge level in the organization. The interconnection of levels of development and knowledge use is presented in Figure 2.

The relevance of the results is short-termed, but the quantity and quality of acquired knowledge provides the platform for the creation and synthesis of a new stream of knowledge.

Explicit knowledge on the static knowledge development level in the organization is the information from external sources. New knowledge is formed due to the process of converting this information into human capital