

Although at the introductory chapter a summary of the seven chapters is provided along with a reflective commentary of the concepts and author's personal opinion that motivated the compilation of the book, the book, however, is weakened by the lack of a final chapter drawing the different chapters and arguments together and in relation to the theme of multipreneurship in the global environment. Still this is by no means a significant weakness.

Taken as a whole, the book is well conceived, written with clarity successfully match its title and objectives. It benefits from the use of a balanced mix of broad theoretical frameworks and empirical evidence which are used to develop to the targeted audience of students, researchers, entrepreneurs and policy makers not only the necessary mindset needed in order to understand multipreneurship, but also significant practical considerations that would allow the scaling up of multipreneurship.

The discussion sections clearly demonstrate the contribution, originality and value of the research. There is no doubt that the book will spark the interest and engage the reader, as it offers many contemporary and practical examples that allow the reader to develop a progressive and embedded understanding of the process on the formation of multipreneurship.

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A Contextual-Functional Analysis of the Enterprise Performance

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Introduction

Carrying out a comprehensive analysis of the processes in the enterprise as well as achieving its high accuracy allows diagnosing the existing problems, highlighting strengths and weaknesses and predicting on this basis the development processes ensuring their fulfillment. In the theory and practices of different analytical groups, there are many approaches to the analysis of enterprises performance. Almost every branch of science or an individual discipline of knowledge has formed and still continue forming such analysis techniques. The most common approaches are the Pareto principle and its more accurate "Golden section" model; ABC-analysis; synthesis of ABC and XYZ-analysis; BCG matrix; McKinsey matrix (GE matrix); Ansoff matrix, positioning map, life cycles analyses, a large number of various mathematical techniques, etc. (Aaker, 2002; Zakharov and Zokin, 2004; Kuimov *et al.*, 2016, pp. 54, 56).

Method

Recognizing the prevalence and widespread use of these methods, it should be noted that they are quite complicated in terms of their practical application. Besides, they allow analyzing individual processes and do not give a comprehensive result. Against this background, it is possible to use a contextual-functional analysis of the enterprise as well as to design of its changes, especially in the course of restructuring or implementing of innovative initiatives.

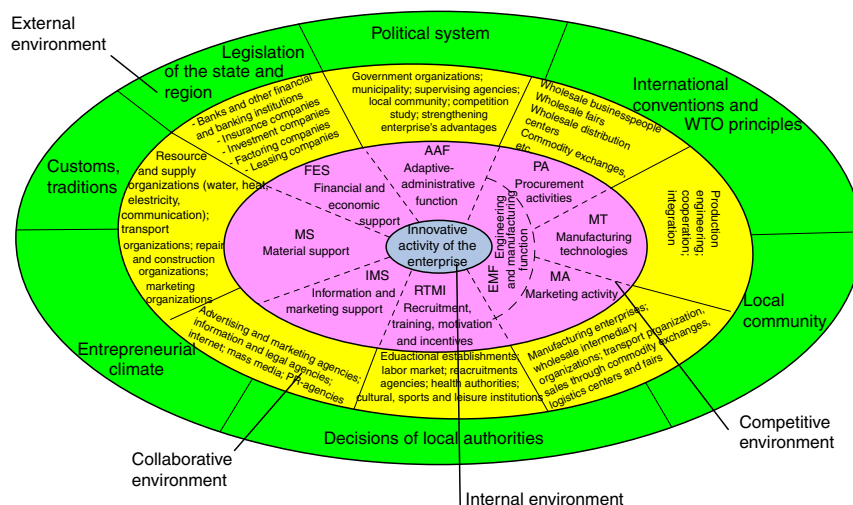
It is known that the concept of enterprise management functions was introduced by Henri Fayol, French engineer, one of the management theorists, who developed a general theory of business administration and published in 1916 his work “General and industrial management” (Fayol, 1923).

Results

The development of management theory based on the analysis of the interaction of the organization with the external environment and internal development allows today, as it seems to us, affirming that the enterprise performance is conducted in a complex interdependent functional-contextual interaction. To illustrate this concept, consider Figure 1.

As it is obvious from Figure 1, the enterprise performance depends on external and collaborative environments and is conducted in a competitive environment, performing reproducing dynamic cycle in the internal environment through constant adaptation to changes in surrounding environments.

The management of the enterprise and its entire activities are carried out through the implementation of adaptive-administrative function on the basis of the laws and regulations, response to information about markets and competitors, legislation and customer preferences; information and marketing support based on the collection of market information and its analysis, providing communication inside the enterprise divisions and with external environments, providing the necessary response to the detected changes; recruitment, training, motivation and incentives – i.e. the organization of collective activities of employees; forming the financial and economic support; ensuring the availability and efficiency of material support, i.e. providing the conditions to ensure manufacturing; carrying out engineering and manufacturing function, in which we can distinguish procurement activities to supply the enterprise with the range of raw materials, semi-finished products, goods and services required for the production process; running the process of goods and services production based on the manufacturing technologies and organizing products marketing or sales process in trade and forming vigorous sales activity of goods and services, value propositions – as a set of repeated measures in the enterprise performance cycle.



Source: Compiled based on Kuimov *et al.* (2000, 2016), Smith (1991), Stiegler (1965), Udal'tsova *et al.* (2005), Hamel and Prahalad (2002) and Fayol (1923)

Figure 1.
Contextual-functional
interaction of the
enterprise

Figure 1 shows that the performance of an organization is carried out through functional interaction in four environments – external, internal, interaction and the competitive environments. This division allows a better understanding of all the activities and guiding managerial interaction in the internal environment of the enterprise to achieve its goals through the possible actions in three other environments.

The external environment includes political system, the laws of the country and the region, international conventions and agreements (including those concerned individual products and the WTO), the customs and traditions of the area and the people, decisions and attitudes of local government, as well as business climate. The external environmental factors most provide opportunities for business development based on the competitive approach in order to ensure the development of territory or country.

The collaborative environment is a network of agencies and organizations (commercial, public and municipal, i.e. infrastructure providing business support and development), which renders services to all enterprises and primarily seeks to work with businesses on mutually beneficial terms. The opportunities for business development in the country depend largely on the development of this environment. Consider this more in detail in Table I.

Most of the organizations and agencies in this environment strive to provide quality and satisfy the demands of the business that leads to the rapid development of service technologies. Problematic relations are those with state and municipal institutions. Frequent changes in legislation, the lack of coordination between governance bodies constrain opportunities for business development and especially its innovative directions.

Competitive environment

Both the enterprise as a whole and its individual functional units are in a state of constant competition with the same or similar enterprises. The main competitive advantage concerns the development and implementation of the growth strategy based on the best practices, customer loyalty and human potential development at the enterprise.

For business development it is desirable to reveal both contemporary and long-term processes in its evolution, i.e. to answer the question “what will be the enterprise in the future and what resources will be needed for its further development?” The answer to this question should lay basis for building long-term strategy of the enterprise.

The answer to this question, which is important for the whole activity of the enterprise, can be obtained through the analysis of correlation between the organizational principles of enterprise’s activity, its organizational purposes, performance criteria, competitiveness factors, organizational and institutional models and cooperation principles important for achievement of these goals that were typical for the industrial development in the 1950–1970s and 1990s of the XX as well as in early XXI century (Zakharov and Zokin, 2004, pp. 9-10). Let us expand these findings to the issues of competition and competitiveness (Table II).

Analyzing Table II, we can distinguish the main principles of business development at the present stage, which should be adhered to by the enterprises:

- heterogeneity (diversity) of the organization’s objectives;
- networks and networking technologies of joint activities aimed at reducing time input, the development of collaboration based on integration in order to achieve synergy effect; and
- integration of state, municipal and public interests with business interests and vice versa.

Enterprise function	During the implementation of this function the enterprise collaborates with	The problems hindering competitive advantages of the enterprise
Adaptive-administrative function (AAF)	Government and municipal organizations and institutions, governance bodies, local community, non-governmental organizations	Quick change in legislation and inconsistencies of bylaws, Pressure and lobbying of governance bodies
Financial and economic support (FES)	Banks and other financial organizations, insurance, investment, factoring, leasing companies, etc.	High interest rates, insecurity, fluctuations of currency exchange rates
Material support (MS)	Resource providing organizations (water, heat, electricity, communication, etc.), transport, repair and constriction companies, sales companies, etc.	Increase in the tariffs and services cost
Information and marketing support (IMS)	Federal State Statistics Service, information and legal agencies, internet, mass media, PR and advertizing agencies, marketing agencies, competitor analysis, etc.	Low quality and high cost of services
Recruitment, training, motivation and incentives (RTMI)	Educational establishments, labor markets, recruitment agencies, health authorities, pension funds, culture, sports and leisure organizations, etc.	Weak motivation to work at industrial enterprises and outlets
<i>EMF</i>		
Procurement activities (PA)	Suppliers, wholesalers, commodity exchanges, wholesale trade centers, logistics companies, manufacturers	Underdeveloped supply chain of local products
Manufacturing technologies (MT)	Development of modern technological solutions owing to equipment and specialists, continuous improvement of design specifications	Any lag in the design specifications increases expenses and production cost
Marketing activity (MA)	Manufacturing enterprises, wholesale and intermediary organizations, transportation organizations, commodity exchanges, logistics centers, Citizenry customers, etc.	The rapid growth of wholesale and logistics. Low customer loyalty

Table I.
Implementation of enterprises functions in the collaborative environment

Table II.

Correlation between development stages, organizational models, institutional models and the role of competition in business

50s of the XX century <i>Organizational principles</i>	70s of the XX century	90s of the XX end early XXI centuries	Influence of the factor on the competitiveness in the beginning of the XXI century
Fordism	Individual entrepreneurship, focus on the production volume	Integrated “turnkey” systems	The globalization of competition; its focus on the end product
<i>Production units</i>			
Large companies	Small enterprises	Networks	Competition between networks and individual enterprises and entrepreneurs
<i>Organizational objectives</i>			
Growth	The value of variety (diversification)	Heterogeneity (diversity)	Competition in all areas of functional activity
<i>Performance criteria</i>			
Production costs	The quality of the products and services	Time input	Competition for time input. Mobility
<i>Competitive differentiators</i>			
Economies of scale	The flexibility and innovation of local process	Synergies and network organizational innovations	The formation of competitiveness throughout the technological process chain
<i>Institutional models</i>			
Centralization	Regional autonomy and “egocentric” federalism	Contract networks, integrative federalism	The formation of alliances, strategic relationships, and outsourcing
<i>Principles of interaction</i>			
Hierarchical coordination	The principle of subsidiarity	The principle of integration through cooperation	The development of the integration, the formation of cooperative chains, network collaboration
<i>Role of social agents</i>			
State ownership and interference	Legal regulation and legislative activity	Integration, corporate encouragement of new objects	The involvement and enhancement of the role of public organizations, the use of state support
Sources: Kuimov <i>et al.</i> (2000, 2016), Hayek (2000), Hamel and Prahalad (2002), Fayol (1923) and Schumpeter (1982)			

Hence, the practical conclusions follow to develop of competitive advantages of an enterprise:

- The globalization of competition. Any enterprise competes through its goods (services) with the best world samples.
- Competition between the networks, individual enterprises and self-employed entrepreneurs. The leaders of contemporary business have become large multinational network enterprises. Competitive advantage of any enterprise is achieved in comparison with the best companies, including those working in other frameworks.
- Competition in all areas of functional activity. The best result is achieved by the one, who has advantages in several functional areas.

- Competition in terms of time inputs (speed, mobility). Basic advantage is quick response to market challenges and changing situation; the time (speed) from order to its fulfillment or the time needed to launch of a new or updated product.
- Formation of the competitiveness of the entire functional chain. Forming alliances, strategic relationships and outsourcing owing to reliable long-term alliances with business partners.
- Development of integration, formation of cooperative chains and network collaboration.

Conclusion

The proposed method of contextual-functional analysis and design of enterprise activities, based on the identified directions of strategic development (Table II), allows more comprehensive analysis of different performance aspects of both individual units (functions) and the enterprise as a whole, as compared with the existing methods. The method makes it possible to adopt and implement measures aimed at achievement of set objectives not only at the enterprise, but also in the collaborative environment and to build policy with competitors, while building the policy with government bodies in the external environment, as well as to use government support, etc.

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