

ORGANIZATIONAL FORMS OF VENTURE BUSINESS

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ОРГАНІЗАЦІЙНІ ФОРМИ ВЕНЧУРНОГО БІЗНЕСУ

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The relevance of research. The current state of the Ukrainian economy is a series of crisis phenomena which could be characterized by unstable exchange rate, uncertainty in trade relations with other countries, declining of domestic and foreign investment, sharp decline in solvency of population, decline of the demand for Ukrainian products on foreign and domestic markets and others. That means that there is a need for finding new ways for improving the efficiency of business entities, which contribute functioning in unstable conditions and risky of external environment. One of such innovative ways of making business is the implementation of organizational forms of business venture into business activity.

The objectives of research. The issues of studying of venture business` forms are revealed in a large number of scientific works of foreign and domestic authors. The significant contribution to the studying of organizational forms of venture business made such scientists as I. Gontareva, A. Devis, O. Zinchenko, G. Kozachenko, O. Kuzmin, I. Litvin, A. Nikkonen, M. Osman, D. Palmer, K. Ralph, I. Repina S. Reverchuk, I. Rodionov, F. Udwardia, K. Freeman M. Shilling and others. The analysis of the organizational forms of venture business presented in the scientific literature show that a single classification is not represented, so that there is a need for studying of the forms of venture business.

The results of research. Venture business is a relatively young form of financing of innovative activity at industrial enterprises in Ukraine. However, the high efficiency of its long-term operation in developed countries and the increase of the number of venture companies in the domestic economy explain the activation of venture business in our

country. In previous study [7, 8], the author concluded that venture business is the entrepreneurial activity, in which the risky investments are used in the innovative development of the enterprise, which provides an opportunity for accelerated growth. As the organizational form of enterprise is a procedure of the establishment of companies property and further change of its role in the usage of profits [1, 2, 3], the organizational form of venture business is a procedure of the establishment of companies property in which the risky investments are used in the innovative development of the enterprise, which provides an opportunity for accelerated growth.

In scientific literature, venture firms are understood as young innovative enterprises, separated subdivisions or subsidiaries of large companies, scientific and technical associations of enterprises that have potential for growth and attract venture capital for the purpose of implementing innovative projects, modernization and technical re-equipment of enterprises, bringing to market new products (works, services), which contributes to a significant increase in market values of the invested enterprises [9, 10].

According to the organizational form and sources of financing, the following forms of venture business are distinguished:

- internal ventures;

- external ventures;

- “independent” ventures.

Internal ventures are temporary or permanent units of large industrial companies that receive venture capital from internally generated venture capital funds (cash fund of an enterprise) and are intended to select and implement promising commercially from the point of view of industrial ideas, their development and implementation. Financing of domestic ventures is carried out at the expense of the company's main activities from its special funds.

Risky companies and company departments are original forms of “classical” ventures. Despite the contradiction in the membership of such departments to ventures, because they involve venture capital in their narrow sense, but they can provide the right of investors to own a potential enterprise created from employees of such department, they are proposed to count it exactly to domestic ventures.

External ventures are the complex integration and cooperative structures, formed on the base of contractual relations between independent business entities on combining financial, labor, informational, material and other resources, joint implementation of individual stages of innovation projects in order to commercialize innovations, they form one or several large corporations in the form of

inter-firm research institutes, scientific and technical alliances, research consortia, joint ventures. The external venture operates in the order of the founders and is structured in several modifications, organizationally executed in the form of research consortia, venture strategic alliances, innovation clusters etc.

External ventures can be joined to new enterprises and formed as a result of the separation of employees - inventors from the parent company. Such enterprises may arise due to the transformation of relatively independent internal risk groups to the “spin-off” and “spin-out” firms.

The “spin-off” company is a new subsidiary formed as a result of the separation of the employees of a large company for the commercial use of the results of scientific and technical knowledge received and developed technologies based on the parent company [9]. Having an independent status legal unit, it is may use resource maternal firms.

“Spin-out” is a new enterprise founded by the founders of the parent company, which, through the conclusion of internally corporate agreements, has the right to use the intellectual and material resources of such a company, while remaining relatively independent in terms of innovation and creative activity.

“Independent” ventures are small innovative enterprises that have scientific and technical knowledge or developed designs of new products, have significant growth potential, receive venture capital both from private investors and from venture capital funds or venture capital companies in exchange for a portion of their property, usually a smaller controlling stake, of such enterprises that become not only direct investors but also strategic business partners who are interested in rapidly increasing of value of these enterprises through their participation in the implementation of projects and the commercialization of innovative products [5, 6].

Conclusion and further research. Thus, within the framework of the current research, under organizational forms of venture business are considered internal ventures, external ventures and “independent” ventures. The main difference between the proposed organizational forms of venture business is the investor’s influence to making managerial decisions during the implementation of innovations. At the internal ventures, the level of influence on decision making is high, therefore, at an independent ventures, this level is low. In the further research it is planned to analyze the efficiency of choosing one of the organizational forms for implementation into the enterprise in order to its further development.

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