

УДК 330.1 + 338.33

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INTERPRETATION OF DIVERSIFICATION OF BUSINESS PROCESSES OF MODERN ENTERPRISES

Research on the concept of diversification of business processes has its roots deep in the history of economic science. Over the centuries, various interpretations and methodologies have developed, which laid the foundation for modern strategies and applications in the field of diversification of business processes.

The concept of diversification has undergone evolution taking into account various schools of economic thought and scientific approaches, which allowed to reveal its various dimensions and provide a fundamental basis for the development of modern strategies and methods in business process management. Such a development in the understanding of diversification enables modern enterprises to use a wide range of strategies to improve and optimize their activities.

Diversification as a term has a two-line Latin basis: *diversus* - different and *facio* - I do; later the Latin variant *diversificatio* - changes, variety. The modern English language has created the word "diversification", which means expanding the range of products or investing capital in different types of securities. In general, diversification is the discovery of diversity and versatility [1].

Many famous classics such as Adam Smith, Jean-Baptiste Say, David Ricardo, Thomas Malthus, John Stuart Mill and other economists created concepts and theories that played a significant role in shaping management strategies and economic development. The consideration of these classic opinions allows a better understanding of business process diversification strategies in the context of modern

conditions, in particular, in conditions of increased competition and a rapidly changing economic environment.

Economist A. Smith argued that market competition between enterprises forces them to look for ways to increase efficiency and reduce costs in order to gain competitive advantages. However, he did not talk about the strategic expansion of the business through diversification. Instead, his principles of specialization indicate that companies should focus on their strengths and concentrate on those areas where they can best use their resources [2]. However, his theory of the "invisible hand of the market" can be used to justify diversification strategies: the market and its competition can stimulate enterprises to expand or diversify their activities to respond to changing conditions and consumer demands. Applying A. Smith's thoughts, diversification can be understood as a response to market demand and a way to maintain competitiveness by adapting to changes in the economic environment.

Jean-Baptiste Say, a famous figure in classical economics of the 18th century, left a significant mark on both economic theory and political philosophy. His deep understanding of economic development and the transformative power of competition was groundbreaking for its time [3]. Say emphasized that competition between enterprises not only promotes efficiency, but also stimulates economic progress. His pioneering ideas laid the foundation for the modern understanding of diversification. The author believed that the competitive environment forces enterprises to innovate, pushing them to improve their products, services or market strategies. In essence, this constant pursuit of improvement and expansion reflects the modern concept of diversification. It emphasizes the need for enterprises to adapt and develop, optimizing their activities for prosperity in a competitive market environment [4]. It is also worth noting that the economist in his works. Therefore, it can be argued that his ideas regarding the competitive environment and the stimulation of efficiency had a significant impact on the development of business process diversification strategies in the future.

Therefore, it can be determined that views on the diversification of business processes have undergone a significant evolution, moving from basic risk minimization strategies to complex management strategies. Thus, diversification should be considered in a broad sense and a narrow one.

On the basis of developed theoretical studies, the author's definition of diversification is proposed, which the author defines in broad and narrow meanings.

In a broad sense, it is, first of all, a full-fledged strategy, which consists in expanding the enterprise's activities through the diversity of its activities, which includes expanding the range of products or services, entering new markets, distributing investments between different types of assets and different areas of production. Such a strategy, to a certain extent, is aimed at reducing the risks associated with the concentration of activity in one segment or market and contributes to the creation of a more sustainable and stable enterprise through a wider range of activities and investments.

In a narrow sense, diversification means the distribution of the company's activities between different types of products or markets in order to distribute risks and ensure stability in the event of negative factors in certain sectors or market segments, which involves a balanced approach to investing in order to avoid significant costs in the event of a negative impact on one part of the business.

Literature

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