

THE MANAGEMENT OF MICROBUSINESS DURING TIMES OF UNCERTAINTY AND DIGITAL TRANSFORMATION

Khromushyna Lyudmyla, PhD in Economic Sciences, Associate Professor,
Sumy National Agrarian University, Ukraine

Microbusiness is a form of entrepreneurship characterised by a small volume of activity (production), low turnover and a small number of employees. The term “microbusiness” is often used to describe small enterprises or self-employed entrepreneurs operating in retail, services or manufacturing, with a limited scope of business activities and turnover. Small and microbusiness play a key role in entrepreneurial activity in many countries, including Ukraine. These businesses not only provide a significant share of employment, but also make an important contribution to economic development.

Small enterprises and microbusiness play a key role in the development of the national economy, representing the main component of small scale production. They contribute to the democratisation of society, ensure economic growth and shape the structure of the gross domestic product. They are an important factor in restructuring the economy, quickly returning investments based on free market choice. By creating additional jobs, small businesses contribute to the saturation of markets with goods and services, as well as to the introduction of innovations. Their rational management and high mobility allow them to operate effectively in a constantly changing environment. They also form a layer of entrepreneur-owners, which is the basis for the development of the middle class, and which weaken the monopoly of large enterprises and stimulate healthy market competition (Demianenko, Kovalchuk, 2022).

Global experience objectively proves that small businesses play a key role in the economy. They help to avoid market monopolisation, promote competitive relations and respond promptly to changes in the market. Small enterprises are the backbone of small-scale production, contribute to the democratisation of society, saturate the market with goods and services, introduce innovations, create new jobs, and are characterised by sound management practices.

Microbusiness can have different forms of organisation, such as individual entrepreneurs, partnerships or small family companies. Microbusiness plays an important role in the economy, providing jobs and contributing to the development of local communities. Microbusiness management involves a set of actions and strategies aimed at achieving success and efficiency in running the microbusiness (Lynnyk, Yershova, 2021).

Small businesses plays an important role in Ukraine's economic system, performing a variety of functions, including producing goods and services, keeping records in accordance with tax legislation, and addressing social objectives through the employment of labour and payment of wages. Even with limited resources, small businesses have a certain degree of mobility that allows them to enter the market with specific goods or services, bypassing the bureaucratic procedures that are often typical for large companies. An important feature of small enterprises is their ability to respond quickly to changes and adapt to specific market conditions (Ponomarenko, Volovnenko, 2019).

Despite their limited resources, small enterprises have a certain flexibility and ability to bring their goods or services to market within a short period of time, due to the absence of complex bureaucratic procedures in their internal operations. The mobility of small enterprises lies in their ability to respond quickly to changes in the market and adapt to new conditions.

As the market is highly competitive, microbusiness have to use a variety of strategies to attract their target audience. This may include adjusting plans and strategies to suit specific spatial and temporal conditions in order to compete effectively in the market. The ability to quickly change their plans and adapt to external conditions allows small businesses to operate successfully in a real competitive business environment.

The peculiarities of microbusiness as a form of entrepreneurship are defined in accordance with The Commercial Code of Ukraine (The Commercial Code of Ukraine, 2003). Thus, micro-enterprises, regardless of their form of ownership, are enterprises employing less than 10 people in the reporting financial year and whose gross revenues from the sale of products for this period do not exceed the

equivalent of EUR 2 million. Thus, micro-enterprises are defined by two main criteria: the number of employees and the amount of gross revenues. This refers to enterprises that are small in size and have a limited number of employees.

Microbusinesses differ in that the owner of the enterprise simultaneously plays the role of manager and owner. This means that the entrepreneur is not only the owner of the business, but also makes managerial decisions. This approach implies that the entrepreneur independently determines strategies, makes decisions and bears the risks associated with managing the enterprise. In addition, it is important to take into account the subjective nature of microbusiness management, as the owner makes decisions based on his or her own vision and experience. This can lead to situations where the solution to a problem or the direction of business development depends on the entrepreneur's personal beliefs and feelings (Linhur, Martyniuk, Yesina, 2023).

Microbusiness, like other forms of business, are characterised by traditional management activities within the framework of the main management functions. An important aspect of management in microbusiness is the constant study of market trends, analysis of competitors and identification of opportunities to improve competitiveness. The business goal is also achieved through the use of appropriate technologies to optimise processes and improve efficiency. Microbusiness is sensitive to customer satisfaction, with whom its owners are trying to maintain sustainable relationships. Microbusiness is clearly regulated by laws and regulations (The Commercial Code of Ukraine, 2003; Tax Code of Ukraine, 2010).

Successful microbusiness management requires flexibility, adaptability and continuous improvement. Entrepreneurs in microbusiness must be prepared to respond quickly to changes in the environment and market. The object of management in microbusiness is what an entrepreneur or manager tries to manage or control in order to achieve strategic goals and ensure optimal operation of the enterprise. In microbusiness, the object of management can be various aspects of the enterprise's activities: finance, personnel, marketing and sales, production and/or provision of services, technology and innovation, customer relations, compliance with legislation, analysis of results and strategic planning.

A management entity in a microbusiness is a person or group of persons who make decisions and are responsible for managing all aspects of the enterprise. The management entity is often the business owner (If it is an individual enterprise), and can also be the head of the company, partners or a team of managers (functional managers) (Frolova, 2021).

The form and specifics of small and microbusiness determine the specifics of management and decision-making. In microbusiness, the owner is the central figure in the decision-making process. The active participation of not only the owner but also other key employees is important as it provides a diversity of views and insights.

Resource-limited environments require simplicity and flexibility in decision-making. Excessive bureaucracy can become inefficient in such an environment. Decision-making takes into account the limited financial, human and other resources of microbusiness, and understanding these constraints is key to allocating them effectively. The market situation is changing rapidly, and the entrepreneur must be prepared to react quickly and make adequate decisions.

Sole decision-making in management means that one person, usually a manager, makes decisions on his or her own without extensive involvement of a group or team. This approach can be effective in certain situations, but it also has its limitations and risks. One-person decision-making can speed up the process, as there is no need to wait for the consent or input of other team members. In the case of urgent decisions or crisis situations, the owner (also known as the manager) can quickly intervene and take the necessary measures without wasting time on consultations.

The potential disadvantages of making sole management decisions in microbusiness are:

- lack of diversity of views: sole decision-making can lead to limited views and ideas, as diversity of opinion or experience is not taken into account;
- lack of support: it is important to have the support of the team; sole decision-making can cause dislike or uncertainty among team members;

- possible errors due to limited view of information: the manager may miss important information or make erroneous analyses due to a limited view.

Ukraine faces numerous challenges in the development of small and microbusiness, which significantly hinder their operation and development. The main problems include the lack of an effective mechanism for supporting and protecting such businesses: the absence of effective measures to stimulate and finance small businesses, as well as insufficient protection of entrepreneurs' rights from negative impacts from raiding and other negative phenomena (Hudz, Strelnikova, 2021).

The internal environment in which small enterprises in Ukraine operate is highly unstable and difficult to predict. The external environment, in turn, has a significant impact on their operations, which can lead to serious financial losses and, in some cases, even bankruptcy. Small businesses, unlike large corporations, have limited ability to withstand pressure from the government and local authorities.

Let us consider the reasons that hinder the development of microbusiness and small entrepreneurship in Ukraine and that necessitate the need to respond, implement and manage changes.

Obviously, the negative dynamics of key macroeconomic indicators largely determines the difficult conditions for small businesses. In particular, the decline in exports and the competitiveness of the national economy creates serious difficulties for entrepreneurs, limiting their opportunities in foreign markets.

The disturbance in the structure of the foreign trade balance and limited domestic demand are reflected in the crisis of sales in the domestic market, which is becoming an obstacle to the development of microbusiness. The decline in real household incomes and low investment activity are additional factors that limit business activity. The unfavourable economic context leads to limited credit, which makes it difficult to finance and develop new business areas. The decline in gross domestic product (GDP) adds to the problems by reducing the state's domestic financial resources and deteriorating the purchasing power of the population. Almost all of these problems are the result of the ongoing external aggression, which has exacerbated the existing problems.

In this context, it is important to take measures to improve the economic environment, provide support to small businesses, and improve the regulatory and legal framework to preserve and promote the sustainable development of small businesses in Ukraine.

Taxation issues, administrative barriers and regulatory boundaries make the day-to-day operations of microbusiness much more difficult. Small businesses, which are constantly competing for survival, must continuously evolve and adapt to changes in today's market. This requires them to be constantly efficient and have a high level of profitability, as this is essential to ensure their existence.

There are also positive aspects to the small business sector, such as the steady growth in the number of small businesses, which means new jobs, and the significant innovation of these businesses. Small businesses act as a catalyst for economic development and the formation of the middle class.

The continuity of change and the need to implement it have become a modern concept in management, a separate area of management activity in the context of entrepreneurship development. The ability to effectively adapt to change is critical for the successful operation of a business. Thus, the development and implementation of a management system and change management principles are an important part of strategic planning for small business owners and microbusiness.

This system should take into account the peculiarities of the internal and external environment of microbusiness, contribute to the achievement of specific goals and be focused on maximising value and profitability. This requires a new conceptual approach, according to which change management is a key tool for successful microbusiness development.

A change management system is essential for survival in the market and maintaining a competitive position. Its implementation requires the ability to adequately respond to changes, anticipate them and effectively manage the situation as a result of changes. The change management methodological framework is an important management technology aimed at achieving successful microbusiness development in the face of constant dynamics and uncertainty. Change management is a key aspect of an entrepreneur's effective development, as it allows him or her to adapt to a constantly

changing environment. This process involves making changes in any area of the microbusiness in order to maintain its effective functioning.

The main stages of change management include supporting, accepting and approving the necessary modifications and changes. The goal of change management is to ensure that changes are controlled while maintaining the integrity and quality of the services provided by the microbusiness. In the context of a systems approach, change management is a balanced resource management system, taking into account the human and technical resources associated with change.

Change management as a management approach has gained popularity among a large number of businesses of various sizes and ownership, as it allows enterprises to respond effectively to new conditions and implement the necessary changes with minimal losses and maximum benefits. Change management is defined as a process that helps organisations remain flexible and competitive in an unpredictable business environment.

Change management has a variety of effects, including increasing profits and reducing the risk of bankruptcy. This approach can also have a positive impact on the effectiveness of external communications. Improved communication between economic actors and government at various levels contributes to a better understanding of their needs and priorities. It is important to understand that the components of a business process interact, and improving communication capabilities allows businesses to be more aware and protected in unforeseen circumstances.

Small and micro-enterprises are in the best position to carry out innovation activities, as they can focus on developing and implementing technologies in areas that may be unpromising or too risky for large enterprises. One of the main advantages of small enterprises is their ability to take risks because they are owned by their owners. This enables small business owners to take bold steps, be more flexible and respond more quickly to changes in market conditions. They are personally responsible for their actions, which ensure a high level of control and decision making.

Small businesses also have competitive advantages, such as a higher level of mobility in adapting to new customer demands and needs. They are more willing to innovate and improve organisational business practices, as decision-making processes can be less complex and more responsive. This approach allows small businesses to be more flexible and competitive in a dynamic business environment.

In our opinion, the constraints to the development of microbusiness in the current environment include military aggression, competition, corruption, staff shortages and inflation (Fig. 1).

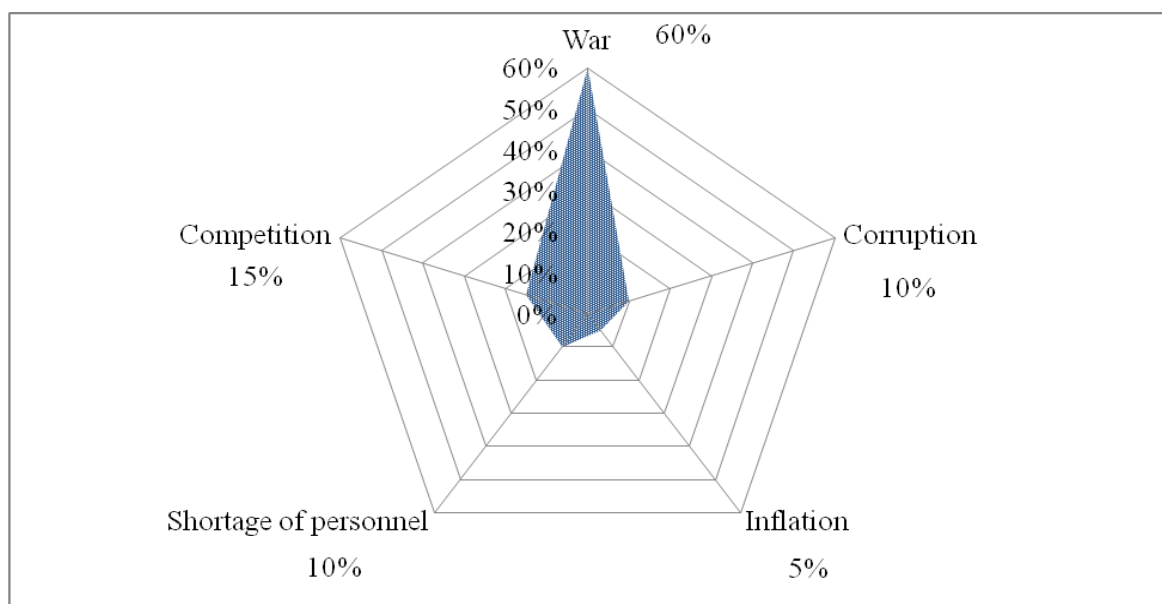


Figure 1 – Constraints to microbusiness development

Source: compiled by the author.

Most of these factors are external to the individual entrepreneur by their scope of occurrence. Therefore, their negative deterrent effect should be reduced through macroeconomic and political measures.

At present, it is very important to study and implement in the practice of domestic business the methods of state regulation that were previously used in situations of crisis management. Affordable financing can open up great opportunities for microbusiness development. It is important to study and apply those methods and strategies that have already been successfully tested in crisis conditions to support business sustainability and development.

A systematic approach to microbusiness development based on the concept of “change management” has the potential to increase the effectiveness of positive transformations. This approach is aimed at bringing most small businesses out of the shadow sector to stop the practice of concealing their real income and profits.

One of the main goals of this approach should be to create more jobs, as experts estimate that about 60 % of entrepreneurs reduce or disguise the true number of employees to avoid taxation. At the same time, this will raise the welfare of citizens and increase the country's GDP.

Thus, the conditions for the successful operation of small businesses in Ukraine are not ideal today. The development and productive operation of small businesses is hampered by a number of challenges, which mainly depend on the socio-economic and political stability in Ukraine. The current problems are caused by pandemic restrictions that once had a negative impact on business in general. currently, these are the military aggression of the “russian federation”, migration processes, a decrease in business activity, changes in legislation, difficulty in accessing financial resources, bureaucratic obstacles and corruption, and other factors that complicate the life of small businesses.

In addition to subjectivity, the conditions for making and implementing decisions in microbusiness are determined by uncertainty and risk. Uncertainty indicates that an entrepreneur may face limited information or unforeseen circumstances when it is difficult to understand which decision is optimal. Risk indicates the possibility of losses or failures as a result of decisions. This approach to management is inherent in small businesses, and given the subjectivity, uncertainty and risk involved, an entrepreneur must be able to balance the various aspects of the business and make informed decisions to succeed in their business.

It is worth noting the state support for business under martial law, which also affects business decision-making, in particular, the government offers a number of proposals to stabilise the operation of enterprises: the state programme “Affordable credit 5-7-9 %”; grant programmes in the Diia app.; grant programmes through the Diia app; IEs of groups II-III are allowed to avoid paying the unified social tax for mobilised employees, and IEs of group III under the simplified taxation system are allowed to pay 2 % instead of 5 % of income (Kniazkova, Krylenko, Rudinska, 2023). Providing state support and stimulating the development of small and microbusinesses will not only strengthen the economy, but also create new jobs, expand entrepreneurial initiative, and increase economic activity in the country.

Although small enterprises play a significant role in economic and social transformation, promote entrepreneurship, provide new jobs and contribute to the development of local communities, they are less resilient and more vulnerable to negative changes in the economic and political environment of the country compared to large businesses. The activities of microbusinesses are affected by a greater number of negative factors. Firstly, they may be less financially secure, as their turnover and profits are lower. Second, microenterprises are more dependent on the local market and local conditions. This means that they may be more susceptible to negative changes in the local economic and political environment. In our opinion, to improve the resilience of microbusinesses, it is important and necessary to create a favourable environment for their operations, reduce bureaucratic obstacles, provide financial support and stimulate innovation. It is also important to maintain economic and political stability to ensure a more predictable environment for microbusiness development.

In addition, corruption is widespread and creates a serious barrier to business development. It can put entrepreneurs in a difficult position, complicating their work and limiting their growth

opportunities. Another important aspect is the shadowing of business and the ineffectiveness of laws, which lead to a loss of confidence in the state system of protecting their rights.

As a result of the “russian” invasion, events occurred that caused destructive changes, and many businesses, including microbusinesses, became hostages to the situation. A significant number of entrepreneurs were forced to relocate their businesses, partially or completely suspend their operations. In such a situation, entrepreneurs had to make efforts to solve several important tasks: relocating production, restoring and developing new areas of production, work or services. In particular, many entrepreneurs were forced to spend time and resources on retraining and adapting to new conditions.

Thus, such exceptional pressure and uncertainty about the future have forced the business community to make strategic decisions to survive and adapt to new realities: from changing production processes, searching for new markets to completely reorienting activities.

Microbusinesses are inherently risky due to uncertainty. Uncertainty arises when there is no complete and reliable information about a particular situation or event. This can be caused by various factors, such as limited availability of data, complexity and time required to process information, or uncertainty about the possible consequences of decisions. When outcomes cannot be predicted with reasonable certainty because of uncertainty, risk arises. Risk is the possibility of negative consequences or losses associated with specific management actions. Almost any management decision involves a certain risk, as there is no guarantee of its success or full control over all factors affecting the situation (Reshetylo, Fedotova, 2020).

Consequently, risk management becomes an important part of the decision making process in microbusiness, especially in times of uncertainty. An entrepreneur or manager must be prepared to take responsibility for the possible consequences of their decisions. The current crisis situation for many businesses can be not just a challenge, but also an opportunity to rethink and start a new phase of their operations. This may define a new stage of business development based on diversification and the introduction of new business projects.

The digitalisation process, modern IT, artificial intelligence, and the development of Industry 4.0 can play a key role in restoring and strengthening business activities. Traditional management processes at all levels are gradually being replaced by digital methods based on the use of advanced technologies.

The use of digital tools allows not only to manage business more efficiently, but also to find new opportunities in the face of challenges and instability. This includes automating processes, improving production efficiency and using analytics to make informed decisions. This transition to digital technologies can be a strategic response to the challenges of the modern business environment (Baranov, 2021).

The declaration of digital transformation goals by a business signals its readiness to innovate, adapt to new technologies and intentions to improve all aspects of its operations, which opens up new opportunities for the entrepreneur and creates a positive impression of customers and partners. Today, entrepreneurs are rapidly moving from traditional management methods to digital ones. This transition is not just a matter of choice for the business itself, but is necessary for the operation and maintenance of leadership positions in the market. There is a growing demand for modern digital technologies in management, and businesses that do not adapt to digital consumption are likely to face the risk of going out of business (Khromushyna, 2023).

Today, the term “digital management” is becoming increasingly common among scholars and professionals, defining a modern form of management. This management approach preserves traditional principles, but at the same time opens up new opportunities through the use of information technology in management activities. The essence of digital management lies in the application of technological development, data processing, and the use of new algorithms and software.

At the same time, there is a problem of inability to understand modern digital technologies, which may be necessary, but there is no ability to understand their operation, terminology and other aspects. This can lead to a situation where content is substituted for form, and many managers idealise the phenomenon of artificial intelligence without paying attention to its limitations. Sometimes, the

idea of using AI can be overly optimistic, and some believe that it will solve all problems without further intervention.

In summary, digital technologies offer great opportunities to improve efficiency and ensure sustainable competitive development of microbusiness. This also requires a review of existing management models, communication formats, technologies and organisational structures, with a focus on new values and priorities (partnership, customer focus, innovation and synergy).

Customers live in the “here and now” mode – the online business that provides a quality product in the shortest possible time will win. Today, 90 % of non-digital businesses are facing increased competition from digital businesses, in fact, 87 % of businesses include digital transformation in their development strategy, and 40 % of leading businesses will be ousted within 5 years if they do not undergo digital transformation and reorient their management models to new values and guidelines (Hudz, 2018).

Customers are one of the main drivers of digitalisation. Every day, they interact with commercial and state-owned companies, many of which have already begun to transform their operations. In such cases, the client sees that modern technologies make processes faster and easier, so they expect such changes from other companies. Digitalisation technologies allow for the most personalised interaction possible, which is preferred by most customers. Digital communication channels, omnichannel marketing, artificial intelligence, robotics – people are already dealing with all of these in their daily lives. For example, the digital transformation of banks could not do without chatbots, and the pharmaceutical industry is actively using modern mobile devices (How will digital transformation help your organisation grow? n.d.)

For small businesses, a digital strategy is a business strategy and is implemented through digital marketing tools; digitalisation of business processes; online presence; e-commerce; and business agility management (Kirzhetska, Kirzhetskyi, 2020). Strategic directions of business development in the digital economy require legislative support, appropriate digital infrastructure, elimination of digital gaps compared to other sectors of the economy, creation of appropriate conditions for the use of network tools, ensuring digital security, and regulatory support for innovation and investment development of enterprises (Koliadenko, 2016). The digital transformation of business can also lead to new challenges. In addition to macroeconomic challenges, companies will face a situation where some of them will be able to make a breakthrough in their scientific, technical, financial and economic development, while others will face new barriers to further development and will be on the verge of a crisis (Plikus, 2021).

The greatest “value” in the digital economy is the customer, who becomes the main focus of economic activity, as without him there is no point in carrying it out. The customer chooses a product based on recommendations, personal experience and advertising, and the seller is unable to contact the customer personally. At the same time, advertising remains relevant, but it is already Internet advertising, Internet fashion, Internet friends, Internet hobbies, etc. (Kraus N., Kraus, 2017). According to the recommendations of experts from Telstra and Deloitte, the following values are considered necessary conditions for enterprises seeking to operate successfully in the digital economy

- investment in new abilities rather than old business models;
- customer relationships;
- speed and efficiency;
- knowledge of your real competitors;
- investing in talent (Taking leadership in a digital economy, 2012).

Ukraine has become an active participant in the global processes of digitalisation of social and economic systems. The Ministry of Digital Transformation of Ukraine will be established in September 2019.

An illustrative result of the digitalisation of the economy and society is the development and implementation of the Law of Ukraine “On Stimulating the Development of the Digital Economy in Ukraine”, which defines “...the organisational, legal and financial principles of the Diia.City legal regime, which is introduced to stimulate the development of the digital economy in Ukraine by creating favourable conditions for innovative business, building digital infrastructure, attracting

investment and talented professionals” (On Stimulating the Development of the Digital Economy in Ukraine, 2021). In turn, Diia.City is a unique legal and fiscal space for IT companies in Ukraine (Diia.City, n.d.).

The emergence and convenient use of a qualified electronic signature (QES) is worthy of note. A digital signature is an advanced electronic signature created using a qualified electronic signature tool and based on a qualified public key certificate; it enables a full-fledged legally significant document flow with the state (reporting, tax administration) and counterparties (exchange of invoices, acts and other primary documents). A qualified electronic signature has the same legal force as a handwritten signature and is presumed to be the same as a handwritten signature (What is a qualified electronic signature (QES)? n.d.).

Currently, Diia (in the format of both a smartphone application and the Diia. State Services Online portal) offers the following services for business: e-Job; extracts and certificates, medicine and pharmaceuticals, Diia.City; transport; licences and permits; land, construction and real estate; business creation (Diia. State services online, n.d.). Business registration has become the fastest in the world: in 10 minutes, with a passport and an electronic signature, you can become an entrepreneur without leaving your home (Diia 3 years: how the app has made Ukraine the world's most convenient country in the service sector, 2023).

Currently, the digital economy includes artificial intelligence, robotics, electronic money, nano- and biotechnology, big data processing, unmanned vehicles, etc. Nicholas Negroponte defined the digital economy as “the transition from processing atoms to processing bits”. In a broad sense, the digital economy means a new level of digital services: web-banking, electronic payments, utility bills, registration for various services (queues, administrative services, making an appointment with a doctor, buying railway tickets, etc.) (Hudz, Strelnikova, 2021).

The peculiarity of domestic digital transformation is that advanced enterprises and their customers are far ahead of the state and traditional economy. Small and medium-sized businesses are mostly already online and mostly use digital technologies to promote their goods and services. At the same time, representatives of the “traditional” economy in Ukraine are lagging far behind in this area. In the large industrial sector, digital transformation is being implemented more slowly.

We will consider the practical aspects and features of microbusiness management in the context of uncertainty and digital change on the example of an individual entrepreneur (IE Voronin S.I.) who provides freight transportation services in Ukraine and abroad.

Transportation is the process of moving through space and is based on the provision of paid services. From an economic perspective, it is a production process that ensures movement in the face of limited resources in order to meet needs. Thus, freight transport creates a product in the form of a transport service. Its implementation requires various components, such as vehicles, infrastructure, qualified personnel and rules that regulate the process of providing transport services.

Transportation in the studied type of microbusiness is considered as a service to a specific group of customers who have used the transport service. This service has an intangible nature due to its specificity – the unity of place, time and volume of production and consumption. It is important to note that transport services cannot be “stored” as a finished product.

No “stocks of finished goods” can be created in the provision of transport services. This leads to a difference between the real demand for services and the ability of the relevant entities to provide them. Therefore, transport services can only be provided within a specified timeframe when there is demand for them. It is important that the transportation needs within this framework are consistent with the carrier's capabilities and do not exceed its resources.

The transport services market is characterised by uneven demand, which leads to the formation of local markets. This is due to the inability of large logistics companies to cover all territories, as well as the possibility of “lost sales”, i.e. when demand exceeds the capacity to provide services.

One of the features of freight services is their subject matter – the cargo to be transported. Changing the location of this cargo determines another important characteristic - spatiality, which indicates the possibility of moving material objects.

In addition, transport services are capital intensive, which means that they require the maintenance of appropriate vehicles and the creation of conditions for proper cargo handling at distribution centres. It is important to note that these services have a low price elasticity of demand, which means that changes in prices do not significantly affect demand. This is evidenced by the fact that increases in carrier prices do not lead to a significant decrease in demand, which is explained by the need to transport most consumer goods from the place of production to the place of sale.

During negotiations between the provider and consumer of transport services, there is a risk of conflict between the parties. This is due to the fact that any agreements relate to future periods, as transport services cannot be provided “in advance”. Thus, the provision of freight transportation services requires constant and close communication between the service provider and the consumer.

The need to agree on the details and terms of transport services arises from their intangible nature and dependence on specific needs and circumstances. As it is not possible to provide these services directly in advance, both parties must have a good understanding of each other and agree on the terms of cooperation for the successful provision of transport services in the future.

The carrier must always be prepared to accept orders and calculate the use of vehicles so as to have a reserve for unforeseen orders. However, these reserves generate costs that need to be covered by the resources that are used. This also has implications for customers, such as requiring prepayment for a service that has not yet been provided and having no technical or legal basis for withdrawing from a service when it is actually being “consumed”. Although many customers may not be aware of these implications, they choose among different transport service offerings those that may be less burdensome in this respect.

The consequences of the characteristics of freight transport services are shown in Table 1.

Table 1 – Consequences of the manifestation of the characteristic features of freight transport services for the IE Voronin S.I.

Implications for the carrier		Implications for customers	
Organisational	Economic	Organisational	Economic
Offering freight opportunities rather than transport services.	Losses due to the need to maintain reserves of transport services.	Lack of choice in the transport service market; instead, the need to choose its provider.	Incurrence of unforeseen expenses as a result of improperly provided transport services.
Incomplete use of transport vehicles during periods of “calm”.	Costs associated with congestion during peak periods.	Lack of possibility to refuse the service in the process of its “consumption”.	The practice of prepayment for transport services is common.
The need to maintain reserves of freight capacity in case of unforeseen demand deviations.	Poorer quality of services provided during peak periods, resulting in higher total costs.	No possibility of exchanging the service after it has been provided.	

Source: compiled by the author.

Transport service is a concept that involves not only the physical movement of an object in space. If we take transportation as a specific example, comprehensive customer service by a carrier should take into account the fact that this service may entail a whole range of related services that are widespread today.

In other words, when providing customer service, the carrier should consider not only the act of transportation itself, but also additional services that may arise in the context of this process. This approach allows expanding the range of services that a carrier can provide to meet the diverse needs of its customers. Thus, the transport service acts as a basis for the development of various related services in general.

The quality of services provided is an important aspect of business operation and competitiveness. In a general sense, quality is an object of management. The quality of freight transportation is a set of key characteristics of transport services that fully meet customer requirements and comply with international and domestic standards, norms, rules and conditions of the

transportation agreement. Assessing the quality of domestic and international transport takes into account a variety of factors. Firstly, it is important that the service fully meets the needs of customers, including aspects such as timeliness, reliability and cargo safety. Secondly, it must meet quality standards and regulations, often governed by international organisations and agreements, to ensure compliance with operational and safety requirements. Thirdly, the assessment should take into account compliance with the terms of the transportation agreement, which involves defining the rights and obligations of the parties and resolving potential problems and disputes. The main idea is that the quality, especially of international transport of goods, is assessed against a set of requirements and standards that ensure high efficiency and reliability of cargo transportation between countries.

The quality of transport services is not limited to the cost effectiveness of delivery. Successful use of transport services depends not only on the cost of delivery, but also on quality aspects such as timeliness of delivery and cargo safety. In practice, when choosing a delivery method, shippers and consignees often focus primarily on the main transport costs. However, other costs associated with poor delivery quality are often overlooked and considered as part of the overall costs. Thus, the real impact of transport on the efficiency of core production is much greater than can be measured by the sum of transport costs. This reflects the modern approach to customer service, where service is seen as a global commitment to meet all of their needs at the highest level of quality.

Improving the quality of the cargo delivery system is of interest not only to those consumers of transport services where transport costs account for a significant proportion of their product costs. They are also interested in improving the quality of the delivery system, even if this part is small, but the costs become significant due to the low level of delivery quality. This may include problems such as the inability to use efficient production technologies or the need to maintain large stocks of goods due to insufficient delivery reliability.

In order to select a cargo delivery system that will provide a high level of service, it is necessary to determine what the customer's requirements are for this system and what parameters they use to assess the degree of satisfaction of these requirements. Obviously, the requirements may change over time, and the level of satisfaction will change accordingly. However, to fully understand the selection task, it is important to identify all possible customer requirements.

To achieve this goal, it is necessary to constantly monitor changes in customer requirements and use various methods, such as questionnaires, structured interviews, focus groups, etc. In addition to continuously studying customer needs, it is also important to monitor market factors that may be subject to change.

Service standards define the list of benefits that customers can expect along with the provision of a particular service that the carrier promises. They set the rules for carriers and are based on specific time criteria, reliability indicators and loss and damage considerations. These rules are binding, ensuring that the quality of transport services is high and that customers' requirements are met.

Let's summarise the main aspects of assessing the quality of international freight transport services. The quality of a transport service should always be focused on customer satisfaction, which is one of the main principles of quality management. It is important that quality indicators reflect the interests and meet the requirements of the client. It is also mandatory that the quality of transport services complies with the standards and regulations in the field of freight forwarding, as well as the requirements of international treaties and agreements. This approach ensures that the services provided meet certain standards and meet customer expectations.

When assessing the quality of transport services, it is important to take into account the characteristics of different customer groups, as they may have different needs and expectations. To determine the quality of transport services, it is necessary to take into account the degree of customer satisfaction, which can be measured by the level of quality, which reflects how satisfied customers are with the service provided. It is important to conduct periodic assessments of transport service quality, as this allows for the identification of possible shortcomings and timely implementation of corrections. Transport service quality indicators should not include the cost of the service, such as fares. Quality assessment should focus on aspects that directly affect customer satisfaction and needs.

Effective management of the quality of road freight transport services helps to ensure reliable and efficient transportation that meets customer needs and industry standards. The main factors affecting the quality of freight transport include

- timeliness of cargo delivery;
- cargo safety;
- information content
- staff competence;
- complexity of services.

In turn, the timeliness of cargo delivery is influenced by the time for preparatory work; the time for rolling stock to be delivered for loading; the time for loading; the time for paperwork; and the time for transportation. Cargo safety means delivery without damage, loss or contamination. Informativeness means the availability of complete information about the transportation: before the start of the service and during transportation. Competence of the personnel means their appropriate qualifications, working conditions and motivation.

The factor of complexity of services means knowing and taking into account the customer's requirements before the start of cargo transportation, which helps the carrier to provide quality services. In our opinion, the above factors should be taken into account systematically and in close connection to improve the quality of transport services.

DELLA™ Freight and Lardi Trans international software systems are used to search for freight orders. DELLA™ Freight Transport has been successfully operating in the trucking market since 1995, facilitating the organisation of domestic and international freight transport. The company's customer always receives the required number of offers for the carriage of goods from different carriers, and each time chooses only the most favourable one. All DELLA carriers undergo mandatory registration, providing government documents for their type of activity, for example, a licence for international road transport or a licence for domestic transport. For companies and entrepreneurs involved in the transport of goods, we provide only high-quality information about direct customers of cargo transportation and orders for cargo transportation.

The Lardi Trans platform is a set of tools for freight transport professionals, including cargo and transport search, insurance, fleet management, electronic document management and tenders. This is a unique tool that helps to protect the freight transport business from unwanted counterparties. With the help of these programmes, the logistician selects loading opportunities and finds customers who can become regular clients in the future.

The Global Positioning System (GPS) plays an important role in freight transport, providing a variety of benefits for managing traffic flows and improving the efficiency of logistics processes. GPS is used in the management and administration of freight transport in the following ways:

1. Provides positional control, as GPS allows you to accurately determine the location of vehicles in real time.
2. Routing and route optimisation are provided. GPS can help plan the best routes for trucks, reducing journey times and saving fuel. It can also take into account objective circumstances such as traffic, road repairs and weather conditions.
3. Monitoring cargo conditions. GPS systems allow shippers to monitor cargo conditions, such as temperature and humidity (especially for food or medicines).
4. Improved safety. GPS can be used to track vehicle speed, movement, and driver compliance with traffic regulations, helping to improve safety.
5. Efficient use of resources. With GPS, you can use vehicles efficiently, avoid unnecessary mileage and minimise fuel costs.
6. Integration with logistics management systems: GPS data can be integrated with logistics management systems to provide comprehensive control over transport processes and warehousing and logistics activities.

The effectiveness of microbusiness management in the face of uncertainty and change depends on the entrepreneur's ability to think strategically and on the availability of a strategic approach to management. Developing strategic management skills in an entrepreneur is a key element of successful

leadership. Important aspects and qualities that an entrepreneur can develop for effective strategic management are:

1. Visionary thinking. An entrepreneur must have a clear vision of the future of his or her business and its development. Such thinking helps to set long-term goals and directions.

2. Strategic planning. The ability to develop and implement strategies based on an analysis of the internal and external environment allows an entrepreneur to effectively manage the development of his or her business.

3. Risk management. Risk management and willingness to take reasonable risks are important for a successful business. An entrepreneur must be ready to change and respond to unforeseen circumstances.

4. Creativity and innovation. The ability to think creatively and innovate will help an entrepreneur remain competitive in a rapidly changing market environment.

5. Leadership. An entrepreneur must be an effective leader, able to inspire and manage a team. Leadership contributes to the formation of corporate culture and the achievement of common goals.

6. Strategic analytics. The ability to analyse data and information, make informed decisions based on strategic goals determines the success of strategic management.

7. Cooperation and communication. Interaction with the team, clients, partners and other stakeholders requires high communication skills and the ability to cooperate.

8. Continuous self-improvement. Readiness for learning and continuous development is important to adapt to new technologies, market trends and strategic challenges.

9. Flexibility and adaptability. The ability to adapt to changes in market conditions and change strategies ensures long-term success.

10. Ethical leadership. Adhering to ethical standards and conducting business in a responsible manner towards society and the environment.

A strategic goal map is a powerful tool for defining and organising strategic goals in business. Let's look at the main stages of developing a strategic goal map for an entrepreneur.

1. Defining the mission and vision. At this stage, it is necessary to formulate a short but powerful definition of the business mission. It should reflect the main essence of the business and define a clear vision of what the business should look like in the future.

2. Identify key areas of activity. It is necessary to identify the main areas of activity that will help achieve the goals.

3. Formulation of strategic goals. At this stage, specific, measurable, attainable, realistic and time-bound goals for each key area of activity should be identified.

4. Creating links between goals. This involves establishing logical links between strategic goals, which will help ensure that all efforts are coordinated and focused on achieving the goals.

5. Identify key performance indicators (KPIs) for each strategic goal, which will allow you to measure progress and respond to changes in a timely manner.

6. Development of initiatives and projects. At this stage, you should identify specific initiatives and projects that will help you achieve your goals.

7. Create a strategic map. A strategic map is a graphical representation that shows all the key elements: goals, relationships, KPIs, and initiatives.

8. Implementation and monitoring. Directly implement the strategy and systematically monitor the implementation process, making adjustments as necessary.

9. Communication and team involvement will help ensure that the strategy is clear and understood by all team members.

10. Review and revision. It is necessary to periodically analyse the strategy and adjust it in accordance with changes in the internal and external environment.

The development of a strategic map will help microbusinesses to be focused on achieving key goals in the face of uncertainty and successfully adapt to change.

Therefore, we propose the following version of the mission of the IE Voronin S.I.: “Offering effective transport solutions in the road freight market and ensuring the quality of services”.

The main purpose of the activity can be defined as follows:

- improving performance to achieve the business goal;
- formation of the freight transport market;
- strengthening competitive positions.

We consider road freight transport within Ukraine and abroad to be the key areas of activity in terms of future development.

We consider it appropriate to include the following strategic goals (until 2028) of the IE Voronin S.I.:

- increasing the number of trucks, bringing the total number to 17 units;
- expanding the range of customers and increasing the number of orders by 15 % annually;
- ensuring the quality and safety of services, achieving the highest customer ratings and 100 % compliance with freight safety standards;
- ensuring profitability at a level of at least 60 % profitability.

The Strategic Map of the IE Voronin S.I. until 2028 can be summarised in the form of Table 2.

Table 2 – Strategic map of goals of the IE Voronin S.I. (until 2028)

The Mission. Provide efficient transport solutions in the road freight market and ensure quality of service.			
The main purpose of the activity: - improving performance to achieve business goals; - formation of the freight transport market; - strengthening competitive positions.			
Field of activity	Objective	Measures and actions to achieve	Indicators of achievement
Operating area: provision of services	1. Increase in the number of trucks. 2. Ensuring the quality and safety of services; compliance with freight safety standards.	1. Purchase of freight vehicles at the expense of the profit. 2. Development of internal transport quality standards; compliance with industry safety standards.	1. A minimum of 17 units of automotive equipment. 2. 100 % compliance with quality and safety standards.
Finance	1. Ensuring business profitability.	1. Increase revenue. 2. Optimise costs.	1. A minimum of 60 %.
Marketing	1. Expanding the range of customers and increasing the number of orders.	1. Registration on online logistics platforms. 2. Formation of your own base of regular customers. 3. Formation of a flexible pricing policy. 4. Use of marketing communications.	1. Increase the number of orders by 15 % annually. 2. Achieving maximum positive customer ratings.
Personnel	1. Improving the level of staff qualification. 2. Involvement of people with professional education.	1. Develop and implement staff development programmes. 2. Implement a motivational motivational mechanism.	1. Full staffing with employees of the required level of professional and specialist training.

Source: compiled by the author.

Given the peculiarity of entrepreneurial activity by an individual, we consider it appropriate to pay attention to the formation of strategic thinking of the entrepreneur himself in crisis and uncertainty.

Thus, strategic thinking is necessary both in life and in business. If you have any goals in life and business, which is almost indivisible in the case of an individual entrepreneur and you want to achieve them faster, easier, cheaper mentally and physically, it is extremely important to master the art of strategic thinking.

Strategic thinking is a mental process aimed at achieving goals; in fact, it is a way to clearly and concretely define a goal and plan to achieve it.

The first thing that underlies this approach is a clear formulation of the vision of the future, a detailed description of what the entrepreneur wants. It is not enough to say that “I want to be

successful”. It is necessary to specify in what way, how it should be manifested: status, career, financial well-being, entrepreneurial success, etc.

Strategic thinking has several elements:

1. You should not be satisfied with the first way you come up with to achieve your goal. Thinking strategically means finding different solutions to your problem, having as wide a range of options as possible, then evaluating them and choosing the best, most optimal one. Very often, the best option is not the one that first came to mind.

2. Analyse available resources and anticipate risks. It is extremely important to realistically assess your own capabilities and immediately think about what barriers may arise on the way, what could go wrong, what could prevent you from achieving your goal. After that, you need to decide how to level these obstacles, i.e. be prepared for them.

3. Choose the most optimal way to achieve the goal, the available resources and the one that minimises risks. All of this needs to be adapted into a plan - step-by-step, clear, realistic, and feasible.

4. Flexibility and willingness to adapt to new conditions, even despite an established plan. In today's world, there is a lot of uncertainty, so you need to be able to adapt to the circumstances in order to move towards your goal regardless of the changes around you. Moreover, adaptability should be not only in terms of the plan, but also in terms of changing goals. It is quite normal and wise to change the goal when the context changes dramatically.

5. You need to plan the movement towards the goal with the future in mind. It is unpredictable and therefore relying on previous experience is not enough. Strategic thinking is about accepting that the future will most likely not be like the past, you cannot plan to do something in 2024 the way you did in 2023 or 2022, because everything around you is different.

Therefore, a person, manager, or entrepreneur with strategic thinking is a flexible person who knows how to plan, but is also very adaptive, able to assess the present in the context of the future. Strategic thinking is useful for everyone, especially when an entrepreneur is also a manager and a leader, so it is definitely a necessary characteristic.

In today's environment, the main task of entrepreneurs is not just to succeed, but also to “survive”, adapt to rapid changes and maintain their positions in the market. In this context, microbusiness management is being rethought and is becoming not only a practical activity, but also a real art. Business owners have to be artists, making creative and unconventional decisions. Managers use their abilities and innovative approach to find new strategies that allow their business to “survive” and thrive in the face of uncertainty and competitive instability.

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