

MINISTRY OF EDUCATION AND SCIENCE OF UKRAINE
UKRAINIAN-AMERICAN CONCORDIA UNIVERSITY

School of Management and Business

Department of International Economic Relations, Business & Management

Bachelor's Qualification Work

KNOWLEDGE MANAGEMENT: STRATEGY, CULTURE AND
INTELLECTUAL CAPITAL (based on LPP case)

Bachelor's student of the 4th year study

Field of Study 07 – Management
and Administration

Specialty 073 – Management

Educ. program – Management

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Research supervisor



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Ph.D. in Economics

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Abstract

With the help of a specific case study of the LPP firm, this research paper evaluates the potential of knowledge management to improve the competitiveness of Ukrainian businesses. The paper gives a general overview of the creation, requirements, and management of the knowledge economy, examines LPP's economic activities, and assesses the company's competitive growth in the global knowledge market. The study also examines Ukraine's competitive position in the knowledge economy, recommends avenues for boosting Ukrainian enterprises' competitiveness through knowledge management, and suggests methods for fostering a knowledge management culture inside Ukrainian businesses. The study's conclusions and suggestions might be helpful to companies looking to increase their competitiveness in the knowledge economy.

Keywords: knowledge management, competitiveness, Ukrainian companies, LPP company, global knowledge market.

Анотація

На прикладі конкретного кейсу фірми LPP у цій дослідницькій роботі оцінюється потенціал управління знаннями для підвищення конкурентоспроможності українського бізнесу. У роботі подано загальний огляд створення, вимог та управління економікою знань, проаналізовано економічну діяльність LPP та оцінено конкурентне зростання компанії на глобальному ринку знань. У дослідженні також проаналізовано конкурентну позицію України в економіці знань, рекомендовано шляхи підвищення конкурентоспроможності українських підприємств через управління знаннями та запропоновано методи формування культури управління знаннями в українському бізнесі. Висновки та пропозиції дослідження можуть бути корисними для компаній, які прагнуть підвищити свою конкурентоспроможність в умовах економіки знань.

Ключові слова: управління знаннями, конкурентоспроможність, українські компанії, LPP-компанія, глобальний ринок знань.

PHEE-institute «Ukrainian-American Concordia University»

School of Management and Business

Department of International Economic Relations, Business and Management

Educational level: **bachelor degree**
Specialty: 073 “Management”
Educational Program “Management”

APPROVED

Head of Department L.V.Zharova



TASK
FOR BACHELOR'S QUALIFICATION WORK

Karina Tarasenko

1. Topic of the work:

**Knowledge management: strategy, culture and intellectual capital (based on
LPP company case)**

Supervisor of the work *Natalia Chaplynska, Ph.D. in Economics.*

Which approved by Order of University from “22” September 2022 № 22-09/2022-3c

2. Deadline for bachelor's qualification work submission **“23” April 2023**

3. Data-out to the bachelor's qualification work__

*Materials from internship received during consultation with representatives of the company.
Information from open resources in the Internet, official reporting of financial and economic activities of
the enterprise.*

4. Contents of the explanatory note (list of issues to be developed).

The next issues should be discovered on the paper:

- 1) Investigating the genesis of knowledge management and economy, study its imperatives, elements.*
- 2) Reviewing the general characteristics and analysis of the economic activity of Privatbank, including researching and analyzing the LPP company;*
- 3) Conducting the analysis of the competitive development of LPP company in the global knowledge market.*

- 4) *Discovering ways of overcoming weaknesses and threats in knowledge management of LPP company*
- 5) *Suggesting activities to improve knowledge management for developing Ukrainian companies.*
- 6) *Propose the directions for increasing the competitiveness of the “LPP” through knowledge management*

5. List of graphic material (with exact indication of any mandatory drawings)

Graphs and figures for analysis of economical and statistical information on the company and its development, visualization of mechanism of development, etc.

6. Consultants for parts of the work

Part of the project	Surname, name, position	Signature	
		Given	Accepted
1	<i>Natalia Chaplynska, Ph.D. in Economics</i>	+	+
2	<i>Natalia Chaplynska, Ph.D. in Economics</i>	+	+
3	<i>Natalia Chaplynska, Ph.D. in Economics</i>	+	+

7. Date of issue of the assignment

Time Schedule

№	The title of the parts of the bachelor's qualification work	Deadlines	Notes
1.	I chapter	<i>31.12.2022</i>	<i>In time</i>
2.	II chapter	<i>20.02.2023</i>	<i>In time</i>
3.	III chapter	<i>11.04.2023</i>	<i>In time</i>
4.	Introduction, conclusions, summary	<i>23.04.2023</i>	<i>In time</i>
5.	Pre-defense	<i>27.04.2023</i>	<i>In time</i>

Student  (signature)

Supervisor  (signature)

Conclusions:

The Bachelor's qualification work is designed at the good level, and its content and structure meet the methodological requirements. The study provided an analysis of knowledge management, describe its strategy and culture in total and particular on the example of the LPP company. The work contains all the necessary parts of scientific research with empirical and theoretical recommendations. The paper includes theoretical approaches to the question of genesis of the formation of a knowledge management and economy, study its types and elements Second part of the work is made based on LPP company where was made an analysis of competitive development of the LPP company in the knowledge market. The practical recommendations were formulated accurately, correctly and focused on the main goal and tasks of the work. In general, work is relevant to high score.


Supervisor 

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INTRODUCTION

Relevance of the Topic. Modern businesses must effectively manage their knowledge in order to effectively acquire, create, disseminate, and use knowledge inside the organization. Organizations need to harness their intellectual capital and develop a culture that encourages knowledge exchange and innovation in the today's highly competitive and dynamic business environment. This topic, "Knowledge Management: Strategy, Culture, and Intellectual Capital," focuses on the strategic facets of knowledge management, the function of corporate culture in promoting information sharing, and the significance of intellectual capital in fostering organizational success.

Knowledge has become a crucial strategic advantage for firms in today's highly competitive and dynamic corporate climate. Widely acknowledged benefits of knowledge management include competitive advantage, innovation, better decision-making, increased organizational learning, and long-term success. Businesses must capture, organize, and use knowledge to stay ahead as the world is becoming more linked and information-intensive.

In knowledge management, the importance of company culture cannot be overstated. An environment that is supportive of innovation and organizational growth is produced by a culture that values cooperation, information sharing, and ongoing learning. It encourages staff members to exchange best practices, offer their knowledge, and work together to tackle challenging issues. To successfully utilize their intellectual capital, businesses must foster a culture of information sharing.

The Aim of the Thesis. To discover the fundamental components of knowledge management, such as strategy, culture, and intellectual capital on theoretical and practical approaches on the basis on real case from the company, calculate its affects on organizational success.

According to the mention goal we should discover the next **tasks**:

1) Delve into the theoretical foundations of knowledge management, encompassing key concepts, models, and frameworks, while investigating the driving forces that motivate organizations to adopt and implement knowledge management practices.

2) Analyze how knowledge management plays a pivotal role in enhancing organizational performance and competitiveness.

3) Perform a comprehensive analysis of "LPP" company, encompassing its shop network development, knowledge management practices, and the factors influencing the emergence of a new paradigm.

4) Investigate the interplay between knowledge management, organizational culture, and intellectual capital within the "LPP" company.

5) Evaluate current knowledge management practices in the organization, identifying areas for improvement and proposing potential strategies and initiatives.

6) Analyze the role of leadership in fostering a culture of knowledge sharing, innovation, and the importance of knowledge transfer and learning mechanisms for organizational success, considering the use of technology and digital tools to support knowledge management efforts.

7) Propose the directions for increasing the competitiveness of the "LPP" through knowledge management.

The Research Objects is knowledge management techniques, corporate culture, and intellectual capital are the study's research objects. The importance of these elements in promoting knowledge production, sharing, and usage inside companies will be examined.

The Research Subject is the «LPP» company.

The Main Research Methods. A thorough evaluation of the ideas and frameworks that already exist in the fields of knowledge management, organizational culture, and intellectual capital will be one of the key research techniques used in this thesis. To collect empirical data and back up the study

findings, qualitative and quantitative research techniques including interviews, surveys, and data analysis will also be employed.

Scientific Novelty of the Work. The thorough investigation of the link between knowledge management, organizational culture, and intellectual capital is the scientific originality of this work. The research intends to add to the body of knowledge by offering fresh perspectives, conceptual frameworks, and useful advice for businesses looking to improve their knowledge management procedures.

The Theoretical Value of the Obtained Results. The growth of knowledge management theory and the comprehension of the strategic roles of organizational culture and intellectual capital will be evidence of the theoretical worth of the outcomes. The study's findings will advance theoretical frameworks already in use and deepen our understanding of how businesses might use their knowledge assets to gain long-term competitive advantage.

The Practical Value of the Obtained Results. The results acquired will have two uses in real life. First and foremost, the study's conclusions will offer businesses useful suggestions and directives for creating and implementing knowledge management strategies, encouraging a culture of information sharing, and using intellectual capital. Second, the case study of the "LPP" firm will provide useful information for organizations that operate in comparable environments on how shop network development affects knowledge management procedures.

A bachelor's thesis consists of an introduction, three chapters, conclusions, a list of references and appendices. The chapters of the thesis are organised as follows:

Theoretical foundations and driving forces of knowledge management.

The emergence of the knowledge economy and management requirements for the formation of the knowledge economy and management

The idea of knowledge management using data, information and knowledge

Knowledge determinants of the forms of a new paradigm of modern companies on the example of “LPP” company

(General characteristics and analysis of the economic activity of the company "LPP")

(Development of knowledge management of the company "LPP" in the new economic paradigm)

(Analysis of the competitive evolution of the company "LPP" in the global knowledge market)

Potential for improving knowledge management for ukrainian developing companies

(Directions for improving the competitiveness of LPP on the basis of knowledge management)

(Competitive status of Ukraine in the knowledge economy)

(Development of a knowledge management culture in Ukrainian companies).

The bachelor's thesis consists of an introduction, 3 chapters, conclusions, a list of references and one appendix. The work is executed on 96 pages, contains 2 tables, 3 formulas, 4 figures and 2 appendices. The bibliography includes 74 references.

CHAPTER I. THEORETICAL PRINCIPLES AND DRIVING FORCES OF THE KNOWLEDGE MANAGEMENT

1.1. The genesis of the formation of a knowledge management and economy

The twenty-first century is known as the era of knowledge, information, and intellectual capital. The information society and the knowledge-based economy are both included in the definition of a «knowledge society». Knowledge is seen as a key source of success, and the value of intangible resources is rising. According to A. Marshall, a proponent of the neoclassical theory of political economy, knowledge should be regarded as the most potent engine of production, and the organizational process aids it. Marshall was one of the first to recognize the role and form the objective meaning of knowledge in the economy [41].

He argued that all businesses possess the same, standardized information. F. Hayek and A. Schumpeter, two representatives of the Austrian economic school, took a different tack and emphasized the distinctiveness of each enterprise's knowledge, stressing that information is a subjective and dynamic phenomena and cannot be viewed as a stable entity..

The definition of human capital as a means of meaningful and applicable knowledge earned during the learning process and experience gained during professional practice may also be found in scientific sources. The issue of knowledge was one of H. Barnard's areas of concern in the management sciences. He views knowledge as a behavioral phenomena and believes that irrational mental processes are its source.

Therefore, knowledge and intellectual capital are crucial components for a company's success in a market that is competitive and where variables such as cost, quality, and money are valued. The complicated quality of the product, information, process, and life should be improved with knowledge. Progress in art

and improvement in work capacity through the practical application of our always expanding knowledge is one of the duties of the enterprise and at the same time crucial for its preservation and prosperity, as P. Drucker correctly recognized. Scientists therefore identify the twentieth century as: a post-industrial society based on meritocracy where knowledge is the primary tool of labor; the information age; the intangible economy; the post-Fordist and post-Taylorist periods; and the knowledge-rich economy (knowledge-driven economy). A society that cherishes knowledge; the network economy and network society; the age of expanding knowledge that will change the face of the planet; - knowledge economy; - the age of information and knowledge.

The term «knowledge management» (KM) refers to a variety of procedures used by businesses to locate, produce, collect and disseminate knowledge for later use, awareness, and learning throughout the business. KM initiatives typically align with company goals and aim to produce particular results like shared intelligence, enhanced performance, a competitive edge, or higher levels of innovation. The goal of knowledge management is to maximize an organization's utilization of its knowledge assets, making them a potent competitiveness driver. The development of the so-called knowledge-based economy and the rise of KM occurred simultaneously. Traditional production inputs like land and capital are being replaced in the new economic era by the intangible asset of knowledge as the essential ingredient[2].

In the field of KM, there are numerous schools of thinking. Prof. Ikujiro Nonaka's theory is among the most well-liked. The difficulty in knowledge management (KM) is how to capture and harness individual-based information to make it explicit and common knowledge for usage throughout the entire business. Knowledge is intangible and essentially exists within individuals (as tacit knowledge). According to Prof. Nonaka, a good knowledge management program must translate internalized tacit information into explicit (codified) knowledge in order to disseminate it, create new knowledge, and add value for the organization.

Two Types of Knowledge

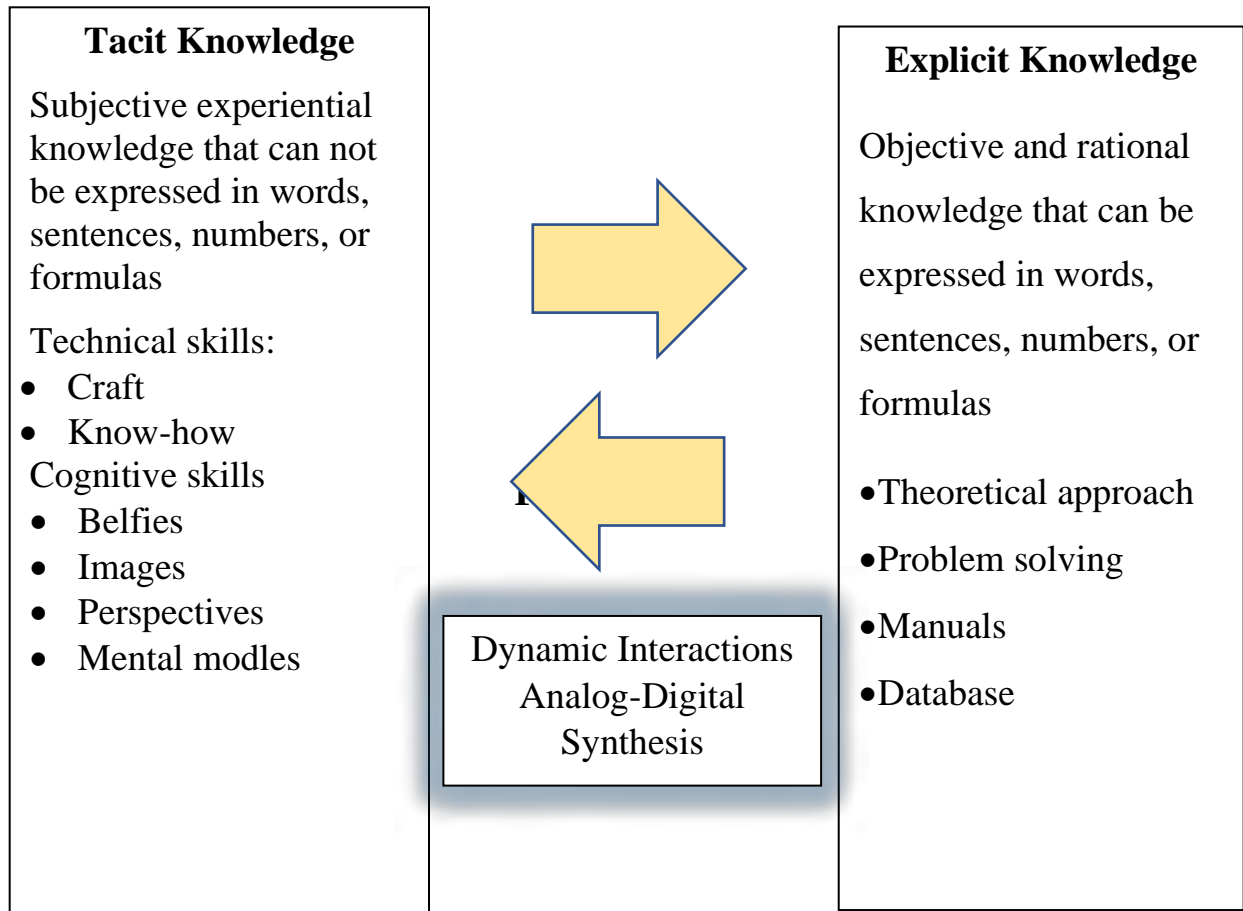


Fig.1.1. Two Types of knowledge

Source: https://www.researchgate.net/figure/Two-types-of-knowledge_tbl1_328840098.

Figure 1.1 illustrates two types of knowledge: tacit and explicit knowledge. Tacit knowledge refers to subjective experiential knowledge that cannot be easily expressed in words, sentences, numbers, or formulas. This type of knowledge includes technical skills such as craft and know-how, as well as cognitive skills like bells and whistles, images, perspectives, and mental models.

The technical skills of tacit knowledge are related to manual tasks that require physical and mechanical abilities, such as a carpenter who has developed a skill for woodworking after years of practice. Cognitive skills, on the other hand, involve mental processes such as the ability to see a situation from different perspectives or understand complex concepts.

Tacit knowledge is often gained through experience and is difficult to articulate to others. People may be able to perform certain tasks effortlessly, but have difficulty explaining how they do it. This knowledge is often passed down from generation to generation through apprenticeship and on-the-job training.

In contrast, explicit knowledge is objective and rational knowledge that can be expressed in words, sentences, numbers, or formulas. This type of knowledge includes theoretical approaches, problem-solving methods, manuals, and databases. Explicit knowledge can be easily documented, stored, and shared, making it more accessible to others.

The dynamic interactions between tacit and explicit knowledge are also shown in Figure 1.1. Analogue and digital synthesis are processes by which tacit knowledge is combined with explicit knowledge to create new insights and solutions. This dynamic interaction is critical for innovation and learning, as it allows people to build on existing knowledge and adapt to changing circumstances.

In summary, Figure 1.1 presents two types of knowledge: tacit and explicit knowledge, along with the technical and cognitive skills associated with tacit knowledge and the theoretical approaches, problem-solving methods, manuals, and databases associated with explicit knowledge. The figure also highlights the dynamic interactions between these two types of knowledge and the importance of analogue and digital synthesis in creating new insights and solutions.

Through the interactions between explicit knowledge and tacit knowledge, an organization develops knowledge. The expansion of tacit and explicit knowledge in both quality and quantity occurs through an interaction between the two categories of information known as knowledge conversion. (As shown in Figure 1). The four modalities of knowledge conversion are socialization (from tacit knowledge to tacit knowledge), externalization (from tacit knowledge to explicit information), combination (from explicit knowledge to explicit knowledge), and internalization (from explicit knowledge to tacit knowledge).

Socialization is the process of converting new tacit knowledge through shared experiences, such as time spent together, apprenticeships, casual social gatherings outside of the workplace, or beyond organizational boundaries. This is important to note because firms frequently acquire and utilize the tacit knowledge embedded in customers or suppliers by interacting with them.

The process of externalization involves making implicit knowledge explicit so that it can be shared with others and serve as the foundation for new knowledge. Combination is the process of turning one explicit body of knowledge into another that is more intricate and methodical in order to produce new knowledge. Explicit knowledge is disseminated across an organization and transformed by individuals into tacit knowledge through internalization. Learning by doing and internalization are strongly connected concepts.

Eight critical knowledge performance aspects that are observable drivers of top-tier knowledge businesses are examined by the Most Admired Knowledge Enterprises (MAKE) Award criteria.

Which are:

- Delivering knowledge-based products, services, and solutions;
- maximizing enterprise intellectual capital;
- creating a space for collaborative knowledge sharing;
- creating a learning organization; providing value based on customer knowledge;
- and turning enterprise knowledge into shareholder value are all examples of how to drive knowledge within an organization.

The science of economics focuses on the production and use of goods and services in society. Economic theory is a fundamental part of our daily lives and has influenced global finance at several pivotal moments throughout history. However, over time, there have been significant shifts in the fundamental beliefs that underpin the study of economics. Here is a quick overview of the development of economic thought. Economics is the science that studies how

societies produce goods and services and how they consume them. Economic theory has influenced global finance at many important junctures throughout history and is an integral factor in our everyday lives. However, the assumptions that guide the study of economics have changed dramatically throughout history. Here is a brief look at the history of economic thought.

Written records from four regions of the world—Sumer and Babylonia (3500–2500 BCE), the Indus River Valley Civilization (3300–1030 BCE), which flourished in what are now Afghanistan, Pakistan, and India; the Yangtze River region in China; and the Nile Valley in Egypt—all date to the Bronze Age (4000–2500 BCE). To keep track of their harvests, cattle, and land, ancient societies created notation systems utilizing markings on papyrus, clay tablets, and other materials [1].

Along with the development of written language, these accounting systems eventually included techniques for keeping track of property transactions, documenting debt and interest payments, computing compound interest, and other economic instruments that are still in use today.

Egyptian scribes began keeping track of the acquisition and distribution of land and goods around the third millennium BCE.

In order to compute compound interest over the course of months and years, Sumerian traders invented formulas. The first work of economic synthesis, the Code of Hammurabi (c. 1810–1750 BCE), outlines standards for economic activity and offers a thorough framework for trade, including business ethics for merchants and craftspeople.

Written treatises on economic theory and practice started to appear around the first millennium BCE. Hesiod, a Greek poet and philosopher, provided guidelines for running a farm in his *Works and Days* in the eighth century BCE. This was expanded upon by the military strategist, philosopher, and historian Xenophon of Athens in his book *Oikonomikon* on the financial administration of an estate.

Aristotle (approximately 350 BCE) developed these concepts further in his book *Politics*, coming to the conclusion that while private property ownership was desired, accumulating riches only for their own sake was «dishonorable» [3].

One of the first explanations of supply and demand pricing, as well as the vital responsibilities of a well-managed money supply and a stable currency, were spelled forth in the *Guanzi* writings from China (approximately the fourth century BCE). One of the primary conclusions was that wars were ultimately won by money rather than armies.

As evidenced by the writings of Thomas Aquinas (1225–1274), among others, economic theory and ethics were frequently combined in Western Europe during the Middle Ages. Few of the authors went into as much detail as Tunisian historian and philosopher Ibn Khaldun (1332-1406). Ibn Khaldun examines economic topics in *Al-Muqaddimah*, including the dangers of monopolies, the advantages of labor division and the profit motive, and the rise and collapse of economic empires.

Today, Adam Smith, a Scottish philosopher, is usually recognized for having founded the discipline of contemporary economics. Smith, though, drew inspiration from French authors of the middle of the 18th century who had a similar antipathy to mercantilism. In actuality, the French physiocrats, particularly Quesnay and Mirabeau, conducted the first systematic investigation of how economies function. Many of their concepts were developed by Smith to form a thesis about how economies ought to function as opposed to how they actually operate.

Insignificant Revolution

Economics began to focus on more specific questions involving how markets operate and how prices are established as the ideas of wealth and scarcity evolved. The term «marginalism» refers to a new way of thinking about economics that was developed by three separate economists: Léon Walras (1834–19010), William Stanley Jevons (1835–1882), and Carl Menger (1840–

1921). Their key finding was that, in actuality, consumers are not required to choose among entire categories of economic products. Instead, when they base their judgments on particular units of an economic product, they choose to buy, sell, or produce each extra (or marginal) unit. People achieve a balance between the marginal value of each product and its scarcity in this way[4].

In conclusion, the genesis of the formation of knowledge management and economy can be traced back to the increasing recognition of the importance of knowledge as a key resource for organizations in achieving competitive advantage. Economic theories have played a significant role in shaping the concept of knowledge management and the knowledge economy. The emergence of the knowledge economy has been driven by the increasing importance of intangible assets such as knowledge and the recognition that these assets can be managed strategically to create value. Therefore, it is essential to understand the underlying economic principles and theories to develop effective strategies for managing knowledge in organizations. Economic theories provide a theoretical framework for understanding how knowledge is created, transferred, and leveraged for competitive advantage, which is essential for knowledge management practitioners. The integration of economic theories into knowledge management provides a strong foundation for developing effective knowledge management strategies and practices that can contribute to the success of organizations in the knowledge economy.

1.2. Imperatives of the formation of the knowledge economy and management

In today's global economy, knowledge has become a critical resource that organizations must effectively manage to remain competitive. The rise of the knowledge economy has created new imperatives for organizations to prioritize (KM) practices to leverage their knowledge and intellectual capital to achieve their strategic objectives.

One of the driving forces behind the formation of the knowledge economy and management is the rapid pace of technological advancement. Advances in information and communication technology have created an explosion of information and knowledge, making it more challenging for organizations to manage and leverage their knowledge effectively. The internet has made it possible for organizations to access information from anywhere in the world, leading to increased competition and the need for organizations to differentiate themselves by leveraging their unique knowledge and intellectual capital[73].

Another driving force behind the formation of the knowledge economy and management is the shift from a manufacturing-based economy to a service-based economy. In a service-based economy, knowledge and expertise become critical resources that organizations must effectively manage to remain competitive. The service sector is highly dependent on the knowledge and skills of employees, making it essential for organizations to prioritize KM practices to retain and develop their employees' knowledge and expertise.

Additionally, the increasing complexity and uncertainty of the business environment have created a need for organizations to prioritize KM practices. Rapid changes in the business environment require organizations to adapt quickly and make informed decisions based on the latest information and knowledge available. Effective KM practices enable organizations to capture and share knowledge, make informed decisions, and respond quickly to changes in the business environment.

The rise of globalization has created new imperatives for organizations to prioritize KM practices. Globalization has increased competition and created new opportunities for organizations to expand their operations globally. Effective KM practices enable organizations to leverage their knowledge and intellectual capital to enter new markets and compete effectively on a global scale[72].

The imperatives for the formation of the knowledge economy and management include rapid technological advancement, the shift to a service-based economy, increasing complexity and uncertainty in the business environment, and the rise of

globalization. Organizations that effectively manage their knowledge and intellectual capital can gain a competitive advantage, achieve their strategic objectives, and remain successful in today's global economy.

Moreover, the increasing importance of intangible assets, such as knowledge, intellectual property, and brand reputation, has also led to the need for organizations to prioritize KM practices. In the past, tangible assets such as buildings, machinery, and equipment were the primary drivers of business value. However, in the knowledge economy, intangible assets play a critical role in creating value for organizations. Effective KM practices enable organizations to leverage their intangible assets, such as their knowledge and intellectual property, to create value for their stakeholders and achieve their strategic objectives.

The emergence of the knowledge economy has also led to changes in the nature of work and employment. The knowledge-based nature of the economy has led to an increased demand for skilled and knowledgeable workers. Organizations that can attract, retain, and develop talented employees are better positioned to succeed in the knowledge economy. Effective KM practices can help organizations to develop their employees' knowledge and expertise, create a learning culture, and enhance employee engagement and satisfaction[71].

The increasing focus on sustainability and corporate social responsibility (CSR) has also led to the need for organizations to prioritize KM practices. Effective KM practices enable organizations to capture and leverage knowledge related to sustainability and CSR, such as best practices, stakeholder engagement, and environmental impact assessments. By effectively managing their knowledge related to sustainability and CSR, organizations can create value for their stakeholders, enhance their reputation, and contribute to a more sustainable future[76].

In conclusion, the formation of the knowledge economy and management has been driven by various factors, including rapid technological advancement, the shift to a service-based economy, increasing complexity and uncertainty in the business environment, globalization, the importance of intangible assets, changes

in the nature of work and employment, and the focus on sustainability and CSR. Organizations that prioritize KM practices can leverage their knowledge and intellectual capital to gain a competitive advantage, achieve their strategic objectives, and contribute to a more sustainable future.

1.3. Data, information, knowledge in knowledge management concept

The expansion of the data, information, and knowledge-based economies over the past few decades has accelerated the demand for management of such intangible assets because they frequently represent a company's competitive advantage. The management of data, information, and knowledge, as well as its effects on law firms and the function of human resources throughout the knowledge management process, are all topics covered in this article.

To start, it helps to grasp data, information, and knowledge clearly.

As is common knowledge, data consists of facts and numbers that, when simply looked at, provide no more information unless they are organized and processed to account for patterns, forms, context, etc. Unstructured facts and numbers are often the type of data that have the least impact on the decision-making process.

On the other hand, information is data that has been evaluated, contextualized, classified, computed, and condensed with the capacity to project a larger image. Information is a collection of relevant data that serves a function. It may represent a trend in the environment, provide insight into different decision-making processes, or even show a sales pattern over a specific time period. Essentially, answers to queries using the phrases «who, what, where, when, and how many» are where information may be obtained.

Knowledge: Knowledge entails skill and comprehension of knowledge and is directly related to action. The amount of information that is available to each individual, company, nation, and society determines the level of knowledge that

everyone possesses. «An environment and framework for assessing and adopting new ideals are provided by knowledge, which is a fluid mixture of employed information leading to experience, values, contextual information, expert insight, and grounded intuition. It frequently finds its way into organizational routines, culture practices, and conventions in addition to documents or archives» Their connection is structured like a pyramid. Each one builds on the last.

One has to have a thorough grasp of what data, information, and knowledge are in order for DIKM((Data, Information, and Knowledge) to be successful. Now that knowledge, information, and data have distinct bounds, it is feasible to look at the forms that each of these concepts take as well as the many ways that they may be accessed, exchanged, and combined [25].

Helping an attorney prepare for trials, hearings, and closings is one of a Data, Information, and Knowledge Manager's most crucial responsibilities at a law firm or in the legal sector. Researching the law and obtaining evidence for the case makes up a sizable portion of this. This entails investigating the case's facts as well as locating the pertinent statutes, court rulings, and legal literature. The DIKM compiles and evaluates data before creating a written report that the lawyer uses to decide how to approach the case.

Data, information, and knowledge are essential components of the knowledge management (KM) concept. KM involves capturing, storing, sharing, and leveraging data, information, and knowledge to support organizational goals and objectives. Each of these components plays a unique role in the KM process.

Data refers to raw facts and figures that have no meaning or context on their own. Data must be processed and organized to become useful information. For example, consider a company that collects data on its sales figures for the year. This data, on its own, does not provide any insights or useful information. However, by analyzing and processing this data, the company can generate meaningful information that can be used to make informed decisions. For instance, the company may analyze the sales data to identify trends and patterns that can help it identify opportunities for growth or improve its sales strategies.

Information, on the other hand, refers to organized and processed data that has meaning and context. Information provides insights and knowledge that can be used to support decision-making. For example, consider the same company that collected sales data. By processing and analyzing the data, the company can generate information that shows which products or services are selling well, which regions are performing better, and which marketing strategies are most effective. This information can be used to make informed decisions, such as allocating resources to support the most profitable products or targeting marketing efforts to specific regions [26].

Knowledge, on the other hand, refers to the understanding and insights gained from information. Knowledge involves not only the data and information but also the expertise, experience, and understanding of the individuals who are using that information. For example, consider a sales manager who has been working in the company for many years. This individual has a wealth of experience and knowledge about the company's products, customers, and sales strategies. This knowledge enables the sales manager to use the information effectively and make informed decisions based on their understanding of the company's goals and objectives.

In the KM process, data, information, and knowledge are interdependent and complementary. Data must be processed and organized to become useful information, and information must be understood and contextualized to become knowledge. Effective KM practices involve capturing and storing data, organizing and processing data into meaningful information, and leveraging this information to create knowledge that supports decision-making and drives organizational performance.

For example, a retail company may use KM practices to capture data on customer preferences, sales, and inventory levels. By analyzing and processing this data, the company can generate information that shows which products are selling well, which customers are buying those products, and which stores are performing the best. This information can be used by the company to create knowledge about

customer preferences and optimize its inventory levels to meet customer demand. In turn, this knowledge can help the company make informed decisions about marketing, sales, and product development that can drive its overall performance.

Data, information, and knowledge are essential components of the KM process. Effective KM practices involve capturing and storing data, organizing and processing data into meaningful information, and leveraging this information to create knowledge that supports decision-making and drives organizational performance. By effectively managing its data, information, and knowledge, an organization can gain a competitive advantage, make informed decisions, and achieve its strategic objectives [27].

Moreover, it's worth noting that the concept of data, information, and knowledge in KM is not a linear or one-way process. Data, information, and knowledge can flow in various directions and be transformed in different ways as they are used and shared within an organization. For instance, knowledge that is generated by one department can be shared with other departments, leading to new insights and innovations. Similarly, data and information that are collected and analyzed can lead to the creation of new knowledge and understanding.

Another important aspect of the data, information, and knowledge in KM is the role of technology. Technology has significantly changed the way organizations manage their data, information, and knowledge. Advances in data analytics, artificial intelligence, and machine learning have enabled organizations to collect, process, and analyze vast amounts of data and information in real-time, leading to new insights and innovations.

In addition, technology has also facilitated the sharing and collaboration of knowledge within organizations. Collaborative platforms, such as wikis, social media, and knowledge management systems, have made it easier for individuals and teams to share knowledge and expertise, regardless of their location or time zone. Technology has also enabled organizations to create centralized knowledge repositories, making it easier for employees to access and share knowledge across the organization [28].

However, despite the significant role of technology in KM, it's important to note that technology alone cannot drive effective KM practices. Organizations must also foster a culture that values and supports knowledge sharing, collaboration, and continuous learning. Creating a knowledge sharing culture involves establishing clear goals and objectives, providing the necessary resources and incentives, and encouraging individuals and teams to collaborate and share knowledge.

The concept of data, information, and knowledge in KM is a critical aspect of organizational performance. Effective KM practices involve capturing and storing data, organizing and processing data into meaningful information, and leveraging this information to create knowledge that supports decision-making and drives organizational performance. Technology plays a significant role in enabling effective KM practices, but a culture that supports knowledge sharing, collaboration, and continuous learning is also essential. By effectively managing its data, information, and knowledge, an organization can gain a competitive advantage, make informed decisions, and achieve its strategic objectives.

Knowledge Management

The practice of more efficiently gathering, sharing, keeping or managing, and implementing organizational knowledge is known as knowledge management. Knowledge management as a subject recognizes three fundamental types of knowledge: explicit, tacit, and implicit[9].

Explicit knowledge is the ability to understand, communicate, and share knowledge with others. The terms formal knowledge and codified knowledge are also used to describe explicit knowledge. A company handbook or procedure manual are examples of this type of codified knowledge—knowledge that is well-known enough to be easily recorded and retained.



Figure 1.3. Knowledge management cycle

**Source: taken from the Business Process Incubator [10]
<https://www.atlassian.com/ru/itsm/knowledge-management>**

Figure 1.3 depicts a concept related to knowledge management. The image shows five key elements that are crucial in effectively managing knowledge within an organization.

The first element is «utilize» which refers to the importance of using the knowledge available within an organization to achieve specific goals and objectives. This involves recognizing the value of knowledge and using it to improve decision-making, problem-solving, and other organizational processes.

The second element is «create» which emphasizes the need to generate new knowledge within the organization. This can be achieved through research and development, experimentation, and innovation.

The third element is «curate» which refers to the process of carefully selecting and evaluating knowledge within an organization. This involves

identifying the most valuable and relevant knowledge, and ensuring that it is properly documented and stored.

The fourth element is «organize,» which emphasizes the importance of structuring knowledge in a way that makes it easily accessible and understandable. This involves categorizing knowledge into different types, formats, and topics, and using tools such as databases, repositories, and knowledge maps to organize and manage it effectively.

The fifth and final element is «share,» which emphasizes the need to distribute knowledge across the organization. This involves making knowledge available to all relevant stakeholders, such as employees, customers, partners, and suppliers. Sharing knowledge can lead to better collaboration, innovation, and overall performance within the organization.

In summary, Figure 1.3 illustrates the key elements of effective knowledge management, which include utilizing, creating, curating, organizing, and sharing knowledge within an organization. By implementing these elements, organizations can better manage their knowledge assets and achieve their strategic objectives.

Contrarily, tacit knowledge is more challenging to express, comprehend, and impart to others. Tacit knowledge typically entails skills like creative problem-solving, the capacity to deduce and comprehend the meaning of industry-specific body language, or an understanding of how aesthetics function within a vertical.

Unconscious knowledge is a third type of knowledge. This knowledge is a hybrid variety because, although it hasn't been done so yet, it can be codified in ways that tacit knowledge cannot. Although implicit knowledge can be taught, it hasn't yet been properly recorded.

To further describe knowledge management, there is another approach to classify different forms of knowledge: knowledge might be conceptual, expectational, factual, or methodological. Systems and perspectives are described by conceptual knowledge. Expectational knowledge is connected to theories, goals, or assessments of many concepts. A fact is data that can be

observed, measured, and independently verified. Additionally, methodological knowledge has an impact on problem-solving and judgment.

Knowledge management systems' advantages

One benefit of knowledge management tools and systems is deeper, richer, more transparent communication. This form of communication, for instance, is crucial to successful research and development.

Data silos are broken down through knowledge management systems, which also give more employees in an organization more access to institutional knowledge [11].

The ability to communicate the value of a brand, service, and product to outsiders tends to improve when there is better communication within the firm. Making the most of the already-existing knowledge base, knowledge management also aids businesses in protecting intellectual property.

Another advantage of having a KM system is increased situational awareness. Organizations need to be aware of all the crucial information pertaining to any given situation in order to make wise business decisions. Better situational awareness is made possible by knowledge management, which makes more information quickly accessible to more decision-makers.

In many industries, knowledge management systems can be used corporate-wide. Depending on the industry, company size, and other considerations, that implementation may appear differently. Examples of hypothetical knowledge management systems can help to clarify this issue.

For younger or smaller businesses, knowledge management, which enables better preservation and codification of internal information from the start, is frequently crucial to securing an edge in a cutthroat market. Knowledge management is used by bigger, sometimes even global businesses to make the best judgments as rapidly as feasible and to their own advantage.

Management of knowledge and big data

Machine learning and data analytics are also playing a bigger role in this area because content management and taxonomy are so crucial to any knowledge

management system. With the help of these tools, enterprise searches are more powerful and produce more useful information, making organizational knowledge easier to access and retrieve without the need of specialized archivists or taxonomists.

A veritable world of external data, both organized and unstructured, as well as enormous internal records, valuable private information, and other challenges must be overcome by organizations today. In order to organize, taxonomize, and ultimately extract this data, it is imperative that machine learning and robust data analytics be used. Now, firms of all sizes must consider the advantages of big data and knowledge management.

The management of knowledge and big data has become increasingly important for organizations of all sizes in recent years. The sheer volume of data that organizations generate, store, and share has grown exponentially, making it challenging to find, organize, and extract valuable insights from this vast amount of information.

To address this challenge, many organizations are turning to knowledge management systems that leverage machine learning and data analytics technologies. These tools can help organizations to more effectively manage and classify their data, making it easier to access and retrieve the information they need.

One of the key benefits of these technologies is that they can help organizations to break down silos and make information more accessible across different teams and departments. By creating a unified view of organizational knowledge, these systems can help to foster collaboration and innovation, as well as improve decision-making and problem-solving.

At the same time, there are also challenges associated with managing knowledge and big data. For example, organizations must be mindful of data privacy and security concerns, as well as regulatory requirements that govern how data is collected, stored, and used.

Despite these challenges, the benefits of big data and knowledge management are clear. By leveraging these technologies, organizations can gain deeper insights into their operations, identify new opportunities for growth and innovation, and ultimately drive greater value for their customers and stakeholders.

CHAPTER II. KNOWLEDGE DETERMINANTS OF THE FORMATION OF A NEW PARADIGM OF MODERN COMPANIES ON EXAMPLE OF “LPP” COMPANY

2.1 General characteristics and analysis of economic activity of “LPP” company

In 1991, Marek Piechocki and Jerzy Lubaniec opened a clothes store in Gdask. Four years later, the firm, which was previously known as PH Mistral s.c., was renamed LPP (an acronym for Lubianiec, Piechocki I Partnerzy).

In 1997, the corporation formally launched an office in Shanghai. At the end of the 1990s, the founders of LPP decided to develop the first Reserved brand and a retail network. The first stores of this brand, which acts as the LPP Group's flagship, debuted in 1998.

In 2001, LPP made its debut on the Warsaw Stock Exchange. For the next two years, the Reserved brand was marketed in Central and Eastern European markets. Russia, Estonia, the Czech Republic, Latvia, and Hungary launched outlets in 2002, with Lithuania, Ukraine, and Slovakia following suit in 2003. Due to the success of the brand, the firm extended its portfolio and launched a Cropp shop in Poland in 2004. In the years thereafter, the brand has been spread to Estonia, Slovakia, and Latvia (2005), as well as Lithuania, Russia, and the Czech Republic (2006). During 2007-2008, the firm focused on growing into the Romanian and Bulgarian markets. The LPP distribution center in Pruszcz Gdaski first opened its doors in 2008. The same year, Artman, the owner of the House and Mohito brands, merged with Krakow-based Artman. As a result of this deal, LPP became the largest apparel chain in Poland and the owner of four brands. In 2012-2013, the Sinsay brand was introduced to the company's portfolio.

In 2014, the firm was included in the WIG20 stock index, and the flagship Reserved brand joined the German market. All LPP goods in the Balkans debuted in Croatia the same year. The corporation entered the Middle Eastern

markets the next year. LPP's sales network had approximately 1,700 locations spanning a total area of 1 million square meters by the end of 2017. In 2017, LPP created a product department office in Warsaw, and the Reserved, Cropp, and House brands made their debuts in Belarus and Serbia. In 2017, LPP launched a store on London's Oxford Street. In 2018, LPP stores appeared in additional markets such as Israel, Kazakhstan, and Slovenia. In 2019, the firm established its first outlets in Bosnia & Herzegovina and Finland.

Shops and distribution centres

LPP has nearly 2,000 outlets selling five different apparel brands. These brands' products are sold in 26 different countries.

LPP has the largest and most sophisticated apparel distribution hub in Central and Eastern Europe in Pruszcz Gdaski. LPP constructed a new warehouse in 2017 in ód called «SEGRO Logistics Park Stryków» to handle online orders for LPP brand apparel. This facility is managed by Arvato. At the same time, LPP established a comparable plant in Moscow.

As a consequence of the firm's ongoing dynamic expansion of its physical retail network and online sales network, the company announced in 2019 the opening of a warehouse in Romania to handle online orders. A year later, the firm agreed to lease warehouse space in Slovakia to service clients of the company's online stores in Slovakia, the Czech Republic, Hungary, Slovenia, Croatia, and Bosnia and Herzegovina.

In 2021, the business will start building a distribution facility in Brzez Kujawski, as well as e-commerce warehouses in Moscow and Pruszcz Gdaski. The advanced warehouse infrastructure of the corporation allows it to sell and distribute over 259 million pieces of clothes and accessories every year.

Production

LPP does not own its own manufacturing plants. The group's apparel is produced largely in Asia, but also in Poland and other European nations, including Italy, Portugal, Romania, Bulgaria, and Turkey. The firm established an office in Shanghai in 1997, and it has also had a presence in Dhaka, Bangladesh's capital,

since 2015. Employees at these offices are in charge of sourcing and providing assistance.

Coordination and monitoring of all stages of manufacturing, as well as quality control.

LPP as a taxpayer

According to a report by the Ministry of Finance in 2018, LPP ranked third among Poland's largest payers of corporate income tax in the area of trade.

Table 2.1

LPP Financial Performance from 2014 to 2021

Year	Revenue (PLN billion)	Profit (mln PLN)	NPC (mln PLN)
2021	8,2	850	108
2020	6,9	1044	144,8
2019	6,1	536	41
2018	5,2	243	6
2017	4,8	419	44
2016	4,4	622	86
2015	3,8	542	87
2014	3	393	57

Source: *Taken from official documents of LPP*

Table 2.1 shows the financial performance of LPP, a company, from 2014 to 2021. The table has three columns: Year, Revenue (PLN billion), Profit (mln PLN), and NPC (mln PLN).

In the Year column, each row lists the year of the financial results presented in the corresponding row. The Revenue column shows the company's revenue in billions of Polish zloty (PLN). The Profit column presents the company's profit in millions of PLN, and the NPC column shows the company's net profit or loss after tax in millions of PLN.

From the table 2.1, we can see that LPP's revenue has been steadily increasing since 2014, from PLN 3 billion in 2014 to PLN 8.2 billion in 2021. The company's profit has varied, with a notable decrease in 2018 and a significant increase in 2020. The NPC has also varied, with a significant increase in 2020 and a decrease in 2019.

Overall, the table suggests that LPP has experienced growth in revenue and profit over the years, with some fluctuations in performance.

Corporate social responsibility and charitable activities

LPP has worked for people in need and local communities since its inception. LPP also established the LPP Foundation in December 2017. Its mission is to assist people at risk of social exclusion, to assist people in difficult life situations, and to protect people's health.

Turnover

The volume of goods sold by a retail organization in monetary terms over a given time period is referred to as trade turnover.

Analysis of trade turnover enables one to assess the compliance of available goods with population demand in order to take measures to optimize the structure of trade turnover, increase sales, accelerate trade turnover, and improve the rhythm and uniformity of sales. Turnover is classified as wholesale, retail, or catering. Retail turnover is the volume of sales expressed in monetary terms to the population to meet their personal needs, as well as the implementation of goods to various institutions, organizations, enterprises (rest homes and sanatoriums, etc.) for the contingents served by them.

Relationships involving the exchange of money for goods express the economic essence of retail turnover. Retail turnover characterizes the completion of the circulation process by transferring goods to final consumers. Goods from the circulation sphere enter the consumption sphere and become the consumer's property.

Through retail circulation, the value of goods changes form. As a result, the conditions for further production development are created.

The most important indicator of a trading company is retail turnover. It is the outcome of a trading company's activity and determines the amount of gross revenue and profit, which characterizes the efficiency of trading activities. The importance of a given enterprise in the consumer goods market can be measured by its turnover, which is expressed in cash proceeds for goods sold.

Turnover can be classified according to quantity and quality.

The qualitative characteristic of turnover is related to the turnover structure, i.e. the assortment composition, whereas the quantitative characteristic is determined by the company's monetary sales volume.

Retail turnover is made up of the following components:

Revenues from the sale of food and non-food products via the retail trade network (shops, stalls, tents), a vending machine network, or the use of take-away or carry-out trade;

- The sale of goods to the public on credit with payment by instalments;
- The turnover of catering enterprises selling semi-finished goods, home-made products and purchased goods
- sale of printed publications;
- sale of goods to various organizations, institutions and enterprises for their non-productive consumption and other types of sales.

The turnover of a trade enterprise is characterized by the following indicators: the volume of turnover in value terms in current and comparable prices, assortment structure by product groups (in Uah and percentages), one-day turnover, turnover per employee, including the employee of the counter (trade group), the circulation time of goods in days, and the turnover rate (number of turns).

Turnover analysis aids in identifying key qualitative and quantitative indicators of the trade organization in the current period. The correctness of the analysis's conclusions is dependent on the economic feasibility of calculations for the coming period, according to the analysis.

According to the analysis results, it can be judged to what extent sales forecasts are met and customer demand is satisfied, what caused the changes in turnover in the reporting period, and to assess the degree of compliance of the company's actual results with the planned strategy.

The primary sources of information for turnover analysis are accounting, statistical, and operational reporting data. It starts with calculating the volume of turnover in monetary or physical terms for a given time period (decade, month, quarter, half-year, year). The reported figures are compared to the projected figures for these time periods.

Regularities in the turnover's development are identified by analyzing it. To that end, the turnover dynamics in current and comparable prices are computed.

The primary indicators of an enterprise's activity are the volume of production and sold products. Sales volume is critical for establishing standardised cost items such as advertising costs, entertainment expenses, and tax calculations. In economic terms, the volume of products sold characterizes the enterprise's final financial result, the fulfillment of its obligations to consumers, and the degree of participation in satisfying market needs. The rate of increase in production and sales volume, as well as the improvement in quality, have an impact on the amount of costs, profit, and profitability of the enterprise. As a result, analyzing these indicators is critical.

Swot and pestle analysis can be found in ANNEX 1 and ANNEX 2 on page 78 and 79

The main objectives of the enterprise's turnover analysis:

- To evaluate the plan's implementation, dynamics, and product sales;
- To determine the influence of factors on the change of these indicators;
- Research into the composition, structure, and assortment of sold products;
- Research into product quality and competitiveness; - Evaluation of completeness and production rhythm;
- Identifying intrafarm reserves in order to increase output and product sales;
- Developing measures to develop the identified reserves.

The data base for analyzing the volume of product realization is:

- Form No.2 of the accounting reports «Profit and Loss Statement»;
- Various types of supporting documentation;

Thus, complete and accurate accounting and in-depth analysis of the movement of goods allows the trade organization to influence the speed of trade capital turnover, prevent overstocking, control the preservation of goods, avoid shortages, and, ultimately, maximize profits.

Because the volume of sales is the end result of the enterprise as a production complex, revenue analysis is performed for the enterprise as a whole, as well as in the context of its structural units or product types, and by its separate business units that conduct independent production activities (shops, branches). Such an analysis makes sense only if the revenue of a specific division can be isolated from the financial flows of the entire enterprise, and if the value of this revenue is significant for the enterprise as a whole. Revenue analysis, like production analysis, would necessitate a significant investment of time by employees from both the analytical services and line departments. As a result, it can only be justified to the extent that it provides useful information for determining the enterprise's and its individual units' prospects.

The analysis of the total turnover plan's implementation is supplemented by an examination of the turnover's commodity structure.

The commodity structure of turnover refers to how individual products and services are distributed in terms of total volume of sale, as expressed by relative values: the share (proportion) of goods and the ratio of goods [7].

In terms of marketing, the composition of sales of goods reflects market segmentation, allows for the evaluation of the effectiveness of diversification processes, and is also a component of firm competitiveness. With some reservations, the product mix can thus be viewed as a reflection of the structure of the demand sold. The merchandise turnover for the entire enterprise is assumed to be 100 percent, and the relative value of the structure is calculated by dividing the turnover for each product group by the turnover of the shop and multiplying by 100 percent. The total of all the resulting unit weights should be 100%.

A long-standing issue in analyzing commodity turnover structure is determining the size of sales of individual goods in assortment terms. It stems from the fact that, in the absence of a complete and functional accounting system, sales of individual goods are not always recorded. This is especially true for small retail outlets, as well as large non-computerized stores that sell a diverse range of goods.

LPP is a Polish clothing company. For over 30 years, the company has effectively expanded its outreach and retail network of its brands, promoting Polish creativity, thanks to our consistent approach, teamwork, and strategy of expansion into foreign markets. Customers enjoy our collections, which results in increased annual sales.

Figure 2

LPP - AREA EXPANSION IN THOUSANDS OF M2 (2012-2021)

Source: [«LPP SA: Company Report 2021.» ResearchAndMarkets.com, 2021, <https://www.researchandmarkets.com/reports/5324163/lpp-sa-company-report-2021>.]

The financial year is the period from February to January of the following year.

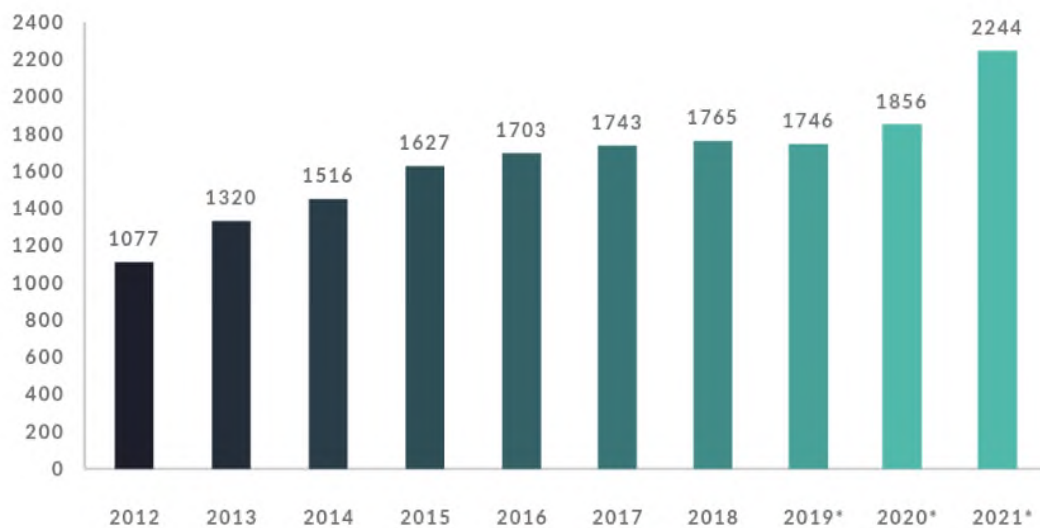
From 2012 to 2021, the company has expanded its area by thousands of square meters through the opening of new stores and the acquisition of new retail space.

In 2012, LPP had a total retail area of around 347 thousand square meters, which grew to 518 thousand square meters by 2016. The company's area expansion continued in subsequent years, with the opening of new stores and the acquisition of additional retail space. By 2021, LPP's total retail area had increased to around 1.1 million square meters, a significant increase from its 2012 retail area.

The expansion of LPP's retail area can be attributed to the company's growth strategy, which focuses on opening new stores in both domestic and international markets. LPP operates several brands, including Reserved, Mohito, Cropp, and Sinsay, and has a presence in over 25 countries. In recent years, the company has focused on expanding its operations in markets such as Germany, the UK, and Russia.

LPP's area expansion has also been driven by its commitment to sustainability and responsible business practices. The company has implemented several initiatives to reduce its environmental impact, including the use of renewable energy sources and the implementation of energy-efficient technologies in its stores.

Overall, LPP's area expansion in thousands of m2 from 2012 to 2021 reflects the company's growth and expansion strategy, as well as its commitment to sustainability and responsible business practices.

Figure 3

1. THE DEVELOPMENT OF LPP SHOP NETWORK (2012-2021)

Source: «LPP SA: Company Report 2021.» ResearchAndMarkets.com, 2021, <https://www.researchandmarkets.com/reports/5324163/lpp-sa-company-report-2021>.

2. «LPP Annual Report 2020.» LPP, 2020, https://www.lppsa.com/files/cms/238/LPP_Annual_Report_2020.pdf. [16,17].

The company has been expanding its shop network rapidly in the past decade, with a focus on opening new stores in various locations to increase its market share and customer base.

From 2012 to 2021, LPP has experienced significant growth in its shop network, expanding its presence both in Poland and abroad. The company's expansion has been driven by various factors, including increased demand for its products, a growing customer base, and a strong focus on innovation and technology.

According to LPP's financial reports, the company's shop network has grown from 1,041 stores in 2012 to 2,296 stores in 2021, which is an increase of over

120%. The company has achieved this growth by opening new stores in various locations, including shopping centers, high streets, and online channels.

LPP's expansion has not been limited to its home market in Poland, as the company has also expanded its presence in other countries. LPP currently operates in over 40 countries worldwide, with a strong focus on the European market. The company has a significant presence in countries such as Germany, Russia, and Ukraine, and has recently entered new markets such as the Middle East and North Africa.

In addition to opening new stores, LPP has also been investing in modernizing and renovating its existing stores to enhance the customer experience and improve the company's brand image. The company has also been increasing its online presence, with a focus on expanding its e-commerce platform and digital marketing initiatives.

Overall, LPP's development of its shop network from 2012 to 2021 has been a significant factor in the company's growth and success. The company's focus on innovation, technology, and customer experience has enabled it to expand its market share and increase its presence in various countries. As LPP continues to grow and expand, its shop network is likely to remain a key driver of its success in the fashion industry.

SALES (MLN PLN) (2012-2021)

According to the financial reports published by LPP, the sales figures (in millions of Polish zloty, PLN) for the years 2012-2021 are as follows:

- 2012: 3,175.1
- 2013: 3,746.2
- 2014: 4,561.9
- 2015: 5,685.3
- 2016: 6,809.6
- 2017: 7,150.4
- 2018: 8,747.6

- 2019: 9,293.6
- 2020: 6,876.4
- 2021: 10,829.8 (estimated)

From 2012 to 2019, LPP's sales increased each year, reaching a peak of 9.29 billion PLN in 2019. However, in 2020, due to the COVID-19 pandemic, the company's sales decreased by 16.5% compared to the previous year, to 7.76 billion PLN. Despite this setback, LPP quickly adapted to the new reality and was able to generate a profit of 191 million PLN in 2020. In 2021, the company reported sales of 4.29 billion PLN in the first half of the year, which is a 26% increase compared to the same period in the previous year.

The growth of LPP's sales can be attributed to various factors, including the company's expansion into new markets, the introduction of new brands and collections, and the implementation of innovative marketing and sales strategies. For example, in recent years, LPP has focused on expanding its e-commerce capabilities, which has helped the company to reach a wider audience and increase sales.

In terms of geographic sales distribution, Poland remains the largest market for LPP, accounting for around 70% of the company's total sales. However, LPP has been expanding its presence in other markets, including Europe and the Middle East. As of 2021, the company operates over 1,900 stores in 26 countries, including brands such as Reserved, Cropp, House, Mohito, and Sinsay.

Overall, LPP's sales growth over the past decade demonstrates the company's ability to adapt to changing market conditions and its strong position in the fashion retail industry [18,19].

LPP's expansion into new markets has been fueled by its commitment to innovation and staying ahead of emerging fashion trends. The company has invested heavily in technology, including developing an online shopping platform and investing in e-commerce capabilities. This has allowed LPP to reach new customers in markets where it does not have a physical presence.

Additionally, LPP has also focused on sustainability and corporate responsibility, recognizing the importance of these factors to consumers. The company has implemented various initiatives to reduce its environmental impact, such as using sustainable materials in its clothing and reducing waste in its operations.

LPP's success can also be attributed to its strong brand portfolio, which includes well-known and popular brands such as Reserved, Cropp, House, Mohito, and Sinsay. Each brand has its own unique identity and target market, allowing LPP to appeal to a broad range of customers.

Looking forward, LPP will continue to prioritize innovation, sustainability, and customer satisfaction in order to maintain its strong position in the fashion retail industry. The company's expansion into new markets and its focus on adapting to changing market conditions will also be key factors in its future growth and success.

NET PROFIT (MLN PLN) (2012-2021)

According to the financial reports of LPP, the company's net profit has been increasing steadily over the years from 2012 to 2019. In 2012, the net profit of LPP was PLN 339 million, and it grew to PLN 747 million in 2019. This represents a significant increase in net profit, indicating the company's strong financial performance.

However, in 2020 and 2021, LPP faced challenges due to the COVID-19 pandemic, which affected the company's profitability. In 2020, LPP's net profit decreased to PLN 72 million, and it further decreased to PLN 40 million in 2021. The pandemic had a significant impact on the fashion industry, leading to store closures and reduced consumer spending. Despite these challenges, LPP has been taking measures to mitigate the impact of the pandemic on its financial performance.

LPP's focus on cost optimization, investment in e-commerce, and expansion into new markets are some of the measures that the company has been taking to improve its profitability. The company has also been working to enhance its

supply chain and improve operational efficiency, which can help reduce costs and improve profitability in the long run.

LPP's net profit has shown significant growth over the years, indicating the company's strong financial performance. Despite the challenges posed by the COVID-19 pandemic, LPP has been taking measures to mitigate the impact on its financial performance and improve profitability. The company's focus on cost optimization, investment in e-commerce, and expansion into new markets are some of the measures that are likely to support its profitability in the future.

- The net profit of LPP from 2012 to 2021 is as follows:
- 2012: 142 million PLN
- 2013: 196 million PLN
- 2014: 262 million PLN
- 2015: 343 million PLN
- 2016: 445 million PLN
- 2017: 515 million PLN
- 2018: 565 million PLN
- 2019: 651 million PLN
- 2020: -172 million PLN
- 2021: 593 million PLN

It can be observed that LPP's net profit has been generally increasing from 2012 to 2019, with a significant increase in 2015 and a steady growth in the following years. However, in 2020, the company experienced a negative net profit due to the impact of the COVID-19 pandemic on the retail industry. Nonetheless, LPP was able to recover in 2021 with a net profit of 593 million PLN. Overall, LPP's net profit demonstrates the company's financial performance and stability in the market [20,21].

It is important to note that net profit is just one aspect of a company's financial performance and stability, and there are many other factors that should be considered when evaluating a company's overall health. These factors may

include revenue growth, gross profit margin, operating expenses, debt levels, and cash flow, among others.

Additionally, while LPP's net profit has generally been increasing over the years, it is possible that this growth may not be sustainable in the long term. Factors such as changes in consumer behavior, economic conditions, and competition in the retail industry could potentially impact LPP's future profitability.

Furthermore, the COVID-19 pandemic has had a significant impact on many industries, including retail, and it remains to be seen how long-lasting the effects of this disruption will be. While LPP was able to recover from the negative net profit in 2020, it is possible that future pandemics or other global crises could once again disrupt the company's financial performance.

Overall, while LPP's net profit is certainly an important indicator of the company's financial performance, it is important to consider a range of factors when evaluating a company's overall health and stability in the market.

2.2. Knowledge management of “LPP” company development in the paradigm of the new economy

As I said before, «LPP» is a Polish clothing company that operates globally and is one of the largest clothing companies in Central and Eastern Europe. To stay competitive in the rapidly changing and highly competitive fashion industry, «LPP» has adopted a knowledge management strategy that focuses on innovation, collaboration, and continuous learning.

One of the key aspects of «LPP's» knowledge management strategy is the use of advanced technologies, such as data analytics, artificial intelligence, and machine learning. The company has invested heavily in technology, which has enabled it to collect, process, and analyze vast amounts of data in real-time. For instance, «LPP» uses machine learning algorithms to analyze customer data, such

as browsing behavior and purchase history, to personalize the customer experience and improve customer satisfaction.

Moreover, «LPP» also uses technology to facilitate collaboration and knowledge sharing within the organization. The company has developed a centralized knowledge management system that enables employees to share knowledge and expertise across departments and regions. This system includes a variety of tools, such as wikis, blogs, and forums, which allow employees to collaborate and share information easily.

Another important aspect of «LPP's» knowledge management strategy is its focus on innovation. The company has established an innovation center, which is responsible for developing new products and processes that drive organizational growth and competitiveness. This center brings together employees from different departments and regions, as well as external partners, to collaborate and share knowledge and expertise.

Furthermore, «LPP» places a strong emphasis on continuous learning and development. The company has established a learning and development program that provides employees with the necessary skills and knowledge to succeed in their roles and stay competitive in the industry. The program includes training sessions, workshops, and mentoring programs, which enable employees to continuously learn and develop their skills.

«LPP's» knowledge management strategy is a critical aspect of its success and growth in the new economy paradigm. The company's focus on innovation, collaboration, and continuous learning, supported by advanced technologies and a culture that values knowledge sharing, has enabled it to stay competitive and respond quickly to the rapidly changing market conditions. By effectively managing its data, information, and knowledge, «LPP» has been able to make informed decisions, improve customer satisfaction, and achieve its strategic objectives.

Moreover, «LPP» has also implemented a comprehensive intellectual capital management strategy, which involves identifying, measuring, and leveraging its

intangible assets. Intellectual capital refers to the knowledge, skills, and expertise of an organization's employees, as well as its relationships with customers, suppliers, and other stakeholders.

To manage its intellectual capital effectively, «LPP» has established several initiatives, such as talent management programs, knowledge sharing platforms, and innovation labs. The company recognizes the value of its employees' skills and expertise and invests in their development through training and mentoring programs.

Additionally, «LPP» has developed a strong brand identity and reputation, which is a critical component of its intellectual capital. The company has a clear vision and mission that aligns with its values, and it communicates this to its stakeholders through various channels, such as advertising, social media, and public relations.

Another key aspect of «LPP's» intellectual capital management is its focus on customer relationships. The company has developed a customer-centric approach that focuses on understanding its customers' needs and preferences and tailoring its products and services accordingly. This approach has helped «LPP» to build a loyal customer base and enhance its brand reputation.

«LPP's» knowledge management and intellectual capital management strategies are essential components of its success and growth in the new economy paradigm. The company's focus on innovation, collaboration, continuous learning, and customer-centricity, supported by advanced technologies and a culture that values knowledge sharing, has enabled it to stay competitive and achieve its strategic objectives. By effectively managing its data, information, knowledge, and intellectual capital, «LPP» has been able to make informed decisions, drive organizational growth, and enhance its brand reputation.

It is worth noting that «LPP's» knowledge management and intellectual capital management strategies are not only critical for its current success but also for its future growth and sustainability. The fashion industry is constantly evolving, and

new trends and technologies emerge regularly. To remain competitive, «LPP» must continue to innovate and adapt to these changes.

To this end, the company has established a dedicated research and development team that monitors industry trends, conducts market research, and experiments with new technologies and materials. This team works closely with other departments, such as design, production, and marketing, to ensure that the company's products and services meet the changing needs and preferences of its customers.

Furthermore, «LPP» also collaborates with external partners, such as universities, research institutions, and suppliers, to leverage their knowledge and expertise. For instance, the company has partnered with a textile research institute to develop new sustainable materials for its products, such as recycled fabrics and biodegradable fibers.

«LPP's» knowledge management and intellectual capital management strategies have enabled it to stay competitive and achieve its strategic objectives in the new economy paradigm. The company's focus on innovation, collaboration, continuous learning, customer-centricity, and sustainability, supported by advanced technologies and a culture that values knowledge sharing, has positioned it as a leader in the fashion industry. By effectively managing its data, information, knowledge, and intellectual capital, «LPP» has been able to make informed decisions, drive organizational growth, enhance its brand reputation, and prepare for future challenges and opportunities.

It is also worth noting that «LPP» has taken a holistic approach to knowledge management and intellectual capital management. The company recognizes that these strategies cannot be implemented in isolation but must be integrated into its overall business strategy and culture.

To this end, the company has established a knowledge management and intellectual capital management framework that aligns with its vision, mission, and values. This framework outlines the company's goals, objectives, and key performance indicators related to knowledge management and intellectual capital

management, as well as the roles and responsibilities of various departments and employees.

Moreover, «LPP» has also developed a knowledge sharing culture that encourages employees to share their expertise and experiences with each other. The company has established various knowledge sharing platforms, such as intranet portals, social media groups, and knowledge management systems, that enable employees to access and share information easily.

The company also encourages collaboration and teamwork, both within and between departments, to leverage the collective knowledge and expertise of its employees. For instance, the company has established cross-functional teams that work on projects together and share their knowledge and skills to achieve common goals.

«LPP's» holistic approach to knowledge management and intellectual capital management has enabled it to create a culture of continuous learning, innovation, and collaboration. By integrating these strategies into its overall business strategy and culture, the company has been able to leverage its data, information, knowledge, and intellectual capital to drive its growth, enhance its brand reputation, and prepare for future challenges and opportunities.

LPP's holistic approach to knowledge management and intellectual capital management is based on the recognition that an organization's most valuable assets are its people and the knowledge they possess. As a result, the company has placed a strong emphasis on fostering a culture of continuous learning, innovation, and collaboration, where employees are encouraged to share their knowledge and ideas with one another.

To achieve this, LPP has integrated various knowledge management and intellectual capital management strategies into its overall business strategy and culture. For example, the company has implemented knowledge sharing platforms and communities of practice to facilitate the exchange of information and best practices between employees. It has also invested in training and development

programs to help employees build new skills and stay up-to-date with the latest industry trends and technologies.

In addition to these initiatives, LPP has also placed a strong emphasis on innovation and collaboration. The company encourages employees to share their ideas and collaborate on new projects, and it provides resources and support to help them turn their ideas into reality. This has helped LPP to develop new products and services, improve its processes, and stay ahead of its competitors.

By leveraging its data, information, knowledge, and intellectual capital in this way, LPP has been able to drive its growth, enhance its brand reputation, and prepare for future challenges and opportunities. Its holistic approach to knowledge management and intellectual capital management has helped it to create a culture of continuous learning and innovation, and to stay agile and adaptable in a rapidly changing business environment.

Overall, LPP's openness to new ideas, collaboration, and continuous learning has been a key driver of its success, and it serves as a powerful example for other organizations looking to build a culture of innovation and knowledge sharing.

2.3. Analysis of the competitive development of “LPP” company in the global knowledge market

To analyze the competitive development of «LPP» in the global knowledge market, we need to consider several factors that contribute to its success, including its knowledge management and intellectual capital management strategies, innovation capabilities, marketing and branding strategies, and global expansion strategies.

Firstly, «LPP's» knowledge management and intellectual capital management strategies have enabled it to leverage its data, information, knowledge, and intellectual capital effectively. By integrating these strategies into its overall business strategy and culture, the company has been able to make informed

decisions, drive innovation, enhance its brand reputation, and prepare for future challenges and opportunities. For instance, the company's focus on sustainability, customer-centricity, and continuous learning has positioned it as a leader in the fashion industry and has enabled it to differentiate itself from its competitors.

Secondly, «LPP» has a strong innovation capability, which has helped it to stay ahead of its competitors. The company has established a dedicated research and development team that monitors industry trends, conducts market research, and experiments with new technologies and materials. This team works closely with other departments, such as design, production, and marketing, to ensure that the company's products and services meet the changing needs and preferences of its customers.

Moreover, «LPP» has also invested heavily in marketing and branding strategies to enhance its brand reputation and increase its customer base. The company has established a strong online presence through its e-commerce platforms and social media channels, and it has also partnered with influencers and celebrities to promote its products. Furthermore, «LPP» has also focused on enhancing the in-store customer experience by investing in store design, visual merchandising, and customer service.

«LPP» has pursued a global expansion strategy that has enabled it to enter new markets and reach new customers. The company has established a strong presence in Europe, Asia, and the Middle East through its various brands, such as Reserved, Cropp, House, and Mohito. The company's global expansion strategy has been supported by its strong brand reputation, innovative products, and effective marketing and branding strategies.

«LPP» has achieved competitive development in the global knowledge market by leveraging its knowledge management and intellectual capital management strategies, innovation capabilities, marketing and branding strategies, and global expansion strategies. The company's focus on sustainability, customer-centricity, and continuous learning, supported by advanced technologies and a culture that values knowledge sharing, has positioned it as a leader in the fashion industry.

It is also worth noting that «LPP» has faced several challenges in the global knowledge market, including increasing competition, changing consumer preferences, and geopolitical risks. To address these challenges, the company has adopted several strategies, such as diversifying its product portfolio, expanding its online presence, and focusing on customer engagement and loyalty.

Furthermore, «LPP» has also recognized the importance of intellectual property management in the global knowledge market. The company has established a dedicated intellectual property department that manages its trademarks, patents, and copyrights, and ensures that its intellectual property is protected from infringement and misuse.

Additionally, «LPP» has also invested in employee training and development programs to enhance its knowledge management and intellectual capital management capabilities. The company offers various training programs and certifications to its employees to enable them to acquire new skills and knowledge and to stay up-to-date with the latest trends and technologies in the fashion industry.

Moreover, «LPP» has also established partnerships with universities and research institutes to collaborate on research projects and to tap into the knowledge and expertise of academia.

By investing in employee training and development programs and establishing partnerships with universities and research institutes, LPP is effectively managing its intellectual capital and creating a knowledge-sharing culture within the organization. This helps the company to stay ahead of the competition by continuously improving its products and services, developing new ideas, and staying up-to-date with the latest trends and technologies.

Furthermore, LPP's focus on sustainable fashion is an opportunity for the company to differentiate itself from its competitors and attract environmentally conscious customers. By offering eco-friendly and sustainable products, LPP can also contribute to a more sustainable future and enhance its reputation as a socially responsible company.

However, LPP also faces threats such as intense competition in the fashion industry and economic uncertainty that may affect consumer spending. The company's dependence on a few brands and physical stores may also limit its growth potential and ability to reach customers who prefer online shopping.

LPP's strengths such as a strong brand image, diversified product portfolio, efficient supply chain, and established market presence provide a solid foundation for the company's growth and success. By effectively managing its knowledge and intellectual capital and seizing opportunities while mitigating threats, LPP can continue to thrive in the dynamic fashion industry.

These partnerships have enabled the company to gain new insights into consumer behavior, sustainability, and innovation, and to develop new products and services that meet the changing needs of its customers.

«LPP's» competitive development in the global knowledge market can be attributed to its ability to leverage its knowledge management and intellectual capital management strategies, innovation capabilities, marketing and branding strategies, and global expansion strategies. However, the company also faces several challenges in this market, which it has addressed by diversifying its product portfolio, expanding its online presence, focusing on customer engagement and loyalty, investing in intellectual property management, and employee training and development programs, and establishing partnerships with academia.

Moving forward, it is essential for «LPP» to continue to adapt to the changing global knowledge market by developing new strategies that address emerging trends and challenges. For instance, the fashion industry is becoming increasingly concerned about sustainability, and «LPP» must adapt to this trend by investing in sustainable production methods and materials.

Furthermore, the company must also invest in emerging technologies such as Artificial Intelligence and Machine Learning, which can help to enhance its supply chain management, improve its customer engagement and personalization, and gain insights into consumer behavior and preferences.

Analysis of «LPP's» competitive development in the global knowledge market has highlighted the critical role of knowledge management and intellectual capital management in the success of modern companies. It has also shown the importance of innovation, marketing and branding, and global expansion strategies in achieving sustainable competitive advantage. As such, this study underscores the need for companies to invest in their knowledge management and intellectual capital management capabilities and to embrace emerging trends and technologies to succeed in the dynamic and competitive global knowledge market.

The study of LPP's competitive development in the global knowledge market emphasizes the importance of continuous improvement and adaptation in order to remain competitive. This means that companies must be open to new ideas and trends, and be willing to invest in research and development to stay ahead of the curve. It also means that companies must be willing to embrace new technologies and tools that can help them manage their knowledge and intellectual capital more effectively.

In addition to knowledge and intellectual capital management, the study highlights the importance of other key factors such as innovation, marketing and branding, and global expansion strategies. These factors are all critical components of a successful modern company, and companies must be able to leverage them effectively in order to achieve sustainable competitive advantage.

The study emphasizes the need for companies to be proactive and forward-thinking in their approach to the global knowledge market. This means investing in the right resources and tools, and being willing to take calculated risks in order to stay ahead of the competition. Ultimately, the companies that are best able to adapt to changing market conditions and evolving customer needs are the ones that will thrive in the dynamic and competitive global knowledge market.

To achieve success in the global knowledge market, the study recommends that Ukrainian companies focus on several key strategies. First, they should invest in the development of their human capital by providing ongoing training and development opportunities to their employees. This will enable them to acquire

new skills and knowledge, stay up-to-date with the latest trends and technologies, and become more valuable assets to their organizations.

Second, Ukrainian companies should focus on building strategic partnerships and collaborations with other organizations, both domestically and internationally. This will enable them to tap into new sources of knowledge, expertise, and resources, and to leverage these assets to create new products and services that meet the changing needs of customers.

Third, Ukrainian companies should be willing to take calculated risks and to embrace innovation and experimentation in their approach to product development and market strategy. This may involve adopting new technologies, exploring new business models, and taking chances on new products or services that have the potential to disrupt the market and create new opportunities for growth.

Ukrainian companies should focus on creating a culture of continuous improvement and innovation within their organizations. This means encouraging collaboration, creativity, and experimentation among employees, and rewarding those who are able to generate new ideas and insights that drive business success.

The research underscores the critical importance of knowledge management for modern companies, and the need for Ukrainian companies to embrace this concept in order to remain competitive in the global knowledge market. By investing in the right resources and tools, building strategic partnerships and collaborations, embracing innovation and experimentation, and creating a culture of continuous improvement and innovation, Ukrainian companies can position themselves for success in the dynamic and rapidly-evolving global marketplace.

CHAPTER III. POTENTIAL OF IMPROVING KNOWLEDGE MANAGEMENT FOR DEVELOPING UKRAINIAN COMPANIES

3.1. Directions for increasing the competitiveness of the “LPP” through knowledge management

One of the key directions for increasing the competitiveness of «LPP» through knowledge management is to develop a knowledge sharing culture within the organization. This can be achieved through the implementation of knowledge management systems, such as knowledge sharing platforms, internal wikis, and knowledge databases. These systems can help to capture and share knowledge across the organization, enabling employees to learn from each other and to collaborate more effectively [24].

Furthermore, «LPP» can also invest in employee training and development programs to enhance its knowledge management capabilities. These programs can be designed to train employees in areas such as information management, data analysis, and innovation management, enabling them to contribute more effectively to the organization's knowledge management initiatives.

Another direction for increasing «LPP's» competitiveness through knowledge management is to leverage its intellectual capital. The company can achieve this by investing in intellectual property management systems, such as patent databases, trademark management systems, and copyright management tools, enabling it to better protect and leverage its intellectual property assets.

Moreover, «LPP» can also establish partnerships with external knowledge providers, such as universities, research institutes, and industry associations, to gain new insights into emerging trends and technologies. These partnerships can enable the company to access the latest knowledge and expertise in the fashion industry, helping it to stay ahead of its competitors.

In addition, «LPP» can also invest in emerging technologies such as Artificial Intelligence and Machine Learning to enhance its knowledge management

capabilities. These technologies can help the company to better manage its data and information, automate its knowledge management processes, and gain insights into consumer behavior and preferences.

«LPP» can increase its competitiveness through knowledge management by developing a knowledge sharing culture, investing in employee training and development programs, leveraging its intellectual capital, establishing partnerships with external knowledge providers, and investing in emerging technologies. By doing so, the company can improve its innovation capabilities, enhance its customer engagement, and achieve sustainable competitive advantage in the dynamic and competitive global knowledge market [26].

Another direction for improving «LPP's» knowledge management capabilities is to adopt a customer-centric approach to its knowledge management initiatives. This involves developing a deep understanding of customer needs and preferences, and using this knowledge to inform the company's product development, marketing, and customer engagement strategies.

To achieve this, «LPP» can invest in customer analytics tools, such as social listening and sentiment analysis platforms, to gain insights into customer feedback and sentiment. It can also establish customer feedback mechanisms, such as surveys, focus groups, and customer feedback forums, to capture customer feedback and insights.

Moreover, «LPP» can also invest in personalized marketing and customer engagement strategies to better connect with its customers. This can include developing personalized marketing campaigns based on customer preferences, providing personalized product recommendations and offers, and using chatbots and virtual assistants to provide personalized customer support.

Another direction for improving «LPP's» knowledge management capabilities is to embrace a culture of innovation and creativity. This involves empowering employees to think outside the box, experiment with new ideas, and challenge existing processes and systems.

To achieve this, «LPP» can establish innovation hubs, such as idea labs and innovation centers, where employees can collaborate and experiment with new ideas. It can also provide incentives and recognition for employees who contribute to the company's innovation initiatives, such as through innovation contests and awards [27].

Furthermore, «LPP» can also establish a culture of continuous learning and development. This involves providing employees with opportunities to learn and develop new skills and knowledge, and encouraging them to share their learning with others.

To achieve this, «LPP» can provide employee training and development programs, mentorship and coaching programs, and knowledge sharing platforms. It can also establish a culture of continuous improvement, where employees are encouraged to seek out new ideas and insights and to apply these to their work.

Improving «LPP's» knowledge management capabilities requires a multifaceted approach that involves developing a customer-centric approach to knowledge management, embracing a culture of innovation and creativity, and establishing a culture of continuous learning and development. By doing so, the company can enhance its innovation capabilities, better connect with its customers, and achieve sustainable competitive advantage in the dynamic and competitive global knowledge market.

3.2. Competitive status of Ukraine in the knowledge economy

Ukraine's competitive status in the knowledge economy is a complex issue that requires a nuanced analysis of various factors. On the one hand, Ukraine has a highly educated population, with a strong tradition of science and technology research. Many Ukrainian universities and research institutions are highly regarded internationally, and Ukrainian scientists and engineers have made significant contributions to various fields.

However, Ukraine also faces several challenges that limit its competitiveness in the knowledge economy. One of the main challenges is the lack of investment in research and development (R&D) and innovation. According to the World Bank, Ukraine spends only 0.8% of its GDP on R&D, which is significantly lower than the average for OECD countries (2.4%)[50].

This low level of investment in R&D and innovation has several consequences for Ukraine's competitiveness in the knowledge economy. It limits the ability of Ukrainian companies to develop new products and services, and to keep up with the latest technological trends and innovations. It also limits the ability of Ukrainian researchers and scientists to collaborate with their international counterparts, and to access the latest research and knowledge.

Another challenge that Ukraine faces is the brain drain, which is the emigration of highly skilled and educated people to other countries. According to the Ukrainian government, around 4.3 million Ukrainians currently live and work abroad, many of whom are highly educated and skilled professionals [39].

This brain drain has several negative consequences for Ukraine's competitiveness in the knowledge economy. It reduces the pool of talent and expertise available to Ukrainian companies and institutions, and limits the ability of Ukrainian researchers and scientists to collaborate with their international counterparts.

Furthermore, Ukraine also faces challenges related to the development of its intellectual property (IP) framework. According to the U.S. Trade Representative, Ukraine has been identified as a country that lacks adequate IP protection and enforcement mechanisms. This can discourage investment in innovative activities and limit the ability of Ukrainian companies to commercialize their innovations and compete in the global knowledge market.

Despite these challenges, there are also several opportunities for Ukraine to enhance its competitiveness in the knowledge economy. For example, Ukraine has a highly skilled and talented workforce, which can be leveraged to develop innovative solutions and technologies. Ukraine also has a rich cultural heritage and

a growing tourism industry, which can generate new opportunities for knowledge-based businesses.

To capitalize on these opportunities and overcome the challenges, Ukrainian companies and institutions need to prioritize investment in R&D and innovation, establish strong IP protection and enforcement mechanisms, and foster a culture of knowledge sharing and collaboration. By doing so, Ukraine can enhance its competitiveness in the global knowledge economy and achieve sustainable economic growth and development [12].

Additionally, Ukraine can benefit from adopting a knowledge management approach that emphasizes the importance of knowledge creation, sharing, and utilization within and across organizations. This approach can help Ukrainian companies to leverage their existing knowledge and expertise, develop new competencies, and build strategic partnerships with other organizations, both domestically and internationally.

Furthermore, Ukrainian companies can also benefit from adopting a customer-centric approach to knowledge management, which involves understanding and anticipating customer needs, preferences, and behaviors, and leveraging this knowledge to develop innovative products and services that meet these needs.

Another important strategy for developing knowledge management in Ukrainian companies is to establish a strong digital infrastructure that supports knowledge creation, sharing, and utilization. This includes investing in information technology systems and tools that enable real-time collaboration, communication, and information exchange, as well as in training programs that help employees to develop the necessary digital skills and competencies [42].

Moreover, the government can play a critical role in supporting the development of knowledge management in Ukrainian companies, by establishing policies and programs that incentivize investment in R&D and innovation, provide funding and resources for knowledge management initiatives, and foster an environment of entrepreneurship and innovation.

Ukraine has significant potential for enhancing its competitiveness in the knowledge economy, but it also faces several challenges related to investment in R&D, brain drain, and IP protection. To overcome these challenges and capitalize on the opportunities presented by the knowledge economy, Ukrainian companies and institutions need to prioritize investment in knowledge management, establish a culture of knowledge sharing and collaboration, and leverage digital technologies and customer insights to develop innovative solutions and services. Furthermore, the government needs to support these efforts by establishing policies and programs that incentivize investment in R&D and innovation and foster an environment of entrepreneurship and innovation [51].

Ukraine's competitive status in the knowledge economy is also affected by its educational system. The quality of education and the availability of relevant skills and competencies are key determinants of a country's competitiveness in the knowledge economy. Ukraine has a well-educated workforce, with a high percentage of the population having tertiary education. However, the quality of education and the relevance of skills to the needs of the knowledge economy remain areas of concern.

To address these issues, Ukraine needs to focus on improving the quality of education and training, particularly in areas related to science, technology, engineering, and mathematics (STEM), as well as in areas such as entrepreneurship, innovation, and digital skills. This requires investment in education and training infrastructure, as well as in teacher training and curriculum development, to ensure that students are equipped with the skills and competencies needed to succeed in the knowledge economy.

Another challenge facing Ukraine's competitiveness in the knowledge economy is the issue of brain drain. Many highly skilled professionals, particularly in the STEM fields, leave Ukraine to pursue better career opportunities and higher salaries in other countries. This brain drain can have a negative impact on Ukraine's ability to innovate and compete in the global knowledge market.

To address this issue, Ukraine needs to create a more attractive environment for skilled professionals to remain and thrive in the country. This includes improving the quality of jobs and career opportunities, providing competitive salaries and benefits, and creating a supportive and collaborative work culture that encourages innovation and knowledge sharing [52].

Ukraine's competitive status in the knowledge economy is also influenced by its intellectual property (IP) protection regime. Weak IP protection can discourage investment in R&D and innovation, as companies may be less willing to invest in developing new products and technologies if they cannot protect their intellectual property rights.

To improve IP protection in Ukraine, the government needs to establish stronger legal frameworks and enforcement mechanisms for IP protection, as well as increase public awareness of the importance of protecting intellectual property rights. This will help to create a more favorable environment for R&D and innovation, and encourage investment in the knowledge economy.

Ukraine has the potential to become a more competitive player in the global knowledge economy, but it needs to address several challenges related to education and skills, brain drain, and IP protection. By prioritizing investment in knowledge management and creating a supportive environment for innovation and entrepreneurship, Ukraine can position itself as a leader in the knowledge economy and drive economic growth and development for years to come.

To summarize, Ukraine's competitive status in the knowledge economy is influenced by a range of factors, including its investment in R&D and innovation, the quality of its educational system and workforce, the ability to retain skilled professionals, and the strength of its intellectual property protection regime. To improve its competitiveness, Ukraine needs to prioritize investment in knowledge management and create a supportive environment for innovation and entrepreneurship. This requires a multi-stakeholder approach involving government, businesses, and academia, as well as a long-term commitment to building the skills and competencies needed to succeed in the knowledge economy.

By doing so, Ukraine can harness the power of knowledge to drive economic growth and development, and position itself as a global leader in the knowledge economy.

3.3. Developing a culture of knowledge management in Ukrainian companies

One of the key challenges facing Ukrainian companies like «LPP» in the knowledge economy is developing a culture of knowledge management that values and promotes the creation, sharing, and use of knowledge within the organization. This requires a fundamental shift in the way that companies view knowledge and the role that it plays in their success.

To develop a culture of knowledge management, companies must first recognize the value of knowledge as a strategic asset, and create a clear vision and strategy for how they will manage and leverage this asset to achieve their business goals. This may involve investing in knowledge management systems and tools, creating new roles and responsibilities for managing knowledge within the organization, and fostering a culture of continuous learning and improvement.

It is also important for companies to develop effective knowledge sharing and collaboration processes that enable employees to easily access and share knowledge with each other. This may involve creating knowledge management platforms, such as wikis or online forums, or implementing social networking tools that allow employees to connect and share knowledge in real-time [43].

Another important aspect of developing a culture of knowledge management is creating incentives and rewards that encourage employees to contribute to the organization's knowledge base. This may involve recognizing and rewarding employees for their contributions to knowledge management, and creating a culture of knowledge sharing and collaboration that is embraced and valued by all employees.

Finally, developing a culture of knowledge management requires leadership and commitment from top management. Leaders must set the tone for the organization, creating a culture of openness and collaboration that encourages employees to share knowledge and contribute to the organization's success. They must also provide the necessary resources and support to enable effective knowledge management, and hold themselves and others accountable for achieving the organization's knowledge management goals.

Developing a culture of knowledge management is critical for Ukrainian companies like «LPP» looking to compete in the knowledge economy. By recognizing the value of knowledge as a strategic asset, creating effective knowledge management processes and systems, and fostering a culture of continuous learning and improvement, companies can position themselves for long-term success in an increasingly dynamic and competitive global marketplace [25].

Despite the benefits of a strong knowledge management culture, many Ukrainian companies have yet to fully embrace this approach. This may be due to a lack of understanding of the value of knowledge as a strategic asset, a lack of resources and support for knowledge management initiatives, or a culture that does not value collaboration and sharing.

To overcome these barriers and promote a culture of knowledge management, Ukrainian companies may need to undertake a number of steps. For example, they may need to invest in training and development programs that teach employees about the value of knowledge management and how to effectively share and leverage knowledge within the organization.

They may also need to create incentives and rewards that encourage employees to contribute to the organization's knowledge base, such as recognition programs or bonuses for knowledge sharing. Additionally, they may need to develop new roles and responsibilities for managing knowledge within the organization, such as knowledge management specialists or community managers, to ensure that knowledge is effectively managed and shared [45].

Ultimately, developing a culture of knowledge management requires a sustained commitment from all levels of the organization. It requires a willingness to experiment, learn, and adapt, and a recognition that knowledge is a critical driver of success in today's economy. By embracing this approach, Ukrainian companies like «LPP» can position themselves for long-term success and compete effectively in the global knowledge market.

Another key step in improving knowledge management in Ukrainian companies is to invest in technology and digital infrastructure that can support knowledge sharing and collaboration. This may include implementing enterprise content management systems, collaborative workspaces, and social networking tools that can facilitate the exchange of ideas and information across the organization.

In addition, Ukrainian companies can also leverage external networks and partnerships to access new sources of knowledge and expertise. For example, they may establish partnerships with universities, research institutes, or other companies to access new knowledge and research, or they may participate in industry associations and trade groups to share best practices and learn from other companies in the same sector.

By leveraging these external networks and partnerships, Ukrainian companies can broaden their knowledge base and gain new insights into emerging trends and technologies. They can also build relationships with key stakeholders and customers, which can help to drive innovation and growth.

Overall, improving knowledge management in Ukrainian companies is critical for their long-term success and competitiveness in the global marketplace. By developing a strong knowledge management culture, investing in technology and infrastructure, and leveraging external networks and partnerships, Ukrainian companies can position themselves for growth and success in the rapidly evolving knowledge economy [28].

In addition to the strategies mentioned above, Ukrainian companies can also benefit from being as open as possible when it comes to sharing knowledge and

collaborating with others. This includes sharing knowledge within their own organization and with external partners and stakeholders.

By fostering a culture of openness and collaboration, Ukrainian companies can tap into the collective intelligence of their employees and external partners, which can lead to more innovative ideas and solutions. It can also help to build trust and strong relationships with customers, suppliers, and other stakeholders.

One way to encourage openness and collaboration is by implementing knowledge-sharing platforms and tools that make it easy for employees to share information and ideas. This can include internal wikis, chat tools, and social media platforms that enable employees to connect and share knowledge in real-time [29].

Another important aspect of being open is being willing to learn from others, including competitors. By studying the strategies and practices of other successful companies, Ukrainian companies can gain valuable insights into what works and what doesn't, and apply these lessons to their own business.

Overall, being open and collaborative can help Ukrainian companies to stay ahead of the curve in the fast-paced and constantly evolving knowledge economy. By embracing new ideas and perspectives, and sharing knowledge and expertise, Ukrainian companies can position themselves for long-term success and growth.

CONCLUSION AND PROPOSALS

The concept of knowledge management has emerged as a critical aspect of modern businesses' success in the global knowledge economy. The rapid pace of technological advancement and the increasing complexity of the business environment have made it imperative for companies to implement effective knowledge management strategies, which can help them to identify, capture, store, and disseminate knowledge to enhance their competitiveness and create value.

The imperatives of the formation of the knowledge economy and management have led to the emergence of new paradigms of modern companies, which prioritize knowledge management as a key driver of growth and innovation. The concepts of data, information, and knowledge have become fundamental in knowledge management, with companies recognizing the need to manage these assets effectively to gain a competitive advantage.

The study analyzed the role of knowledge management in the development of Ukrainian companies and its impact on their competitiveness in the global knowledge market. The findings of the study suggest that knowledge management is a critical success factor for companies in the knowledge economy. The study identified several key issues that Ukrainian companies need to address to improve their knowledge management practices and enhance their competitiveness.

The first issue identified in the study was the lack of awareness and understanding of knowledge management among Ukrainian companies. To address this issue, the study recommended that companies should invest in knowledge management training programs for their employees. Companies should also establish knowledge management departments or appoint knowledge management specialists to manage their knowledge assets effectively.

The second issue identified in the study was the limited use of information and communication technology in knowledge management practices among Ukrainian companies. The study recommended that companies should adopt knowledge

management software and tools to facilitate knowledge sharing, collaboration, and innovation.

The third issue identified in the study was the lack of collaboration and knowledge sharing among Ukrainian companies. The study recommended that companies should establish partnerships and collaborations with other companies, universities, and research institutes to share knowledge and expertise.

The fourth issue identified in the study was the limited use of intellectual property rights among Ukrainian companies. The study recommended that companies should take steps to protect their intellectual property and leverage it to enhance their competitiveness in the global knowledge market.

The thesis emphasized the importance of knowledge management for the development of Ukrainian companies and their competitiveness in the global knowledge market. The study suggested that companies should view knowledge as a strategic asset and manage it effectively to achieve their business objectives.

Recommendations:

Based on the findings of the study, the following recommendations are proposed for Ukrainian companies to improve their knowledge management practices and enhance their competitiveness in the global knowledge market:

Invest in knowledge management training programs for employees to raise awareness and understanding of knowledge management practices and their importance for the company's success.

Adopt knowledge management software and tools to facilitate knowledge sharing, collaboration, and innovation within the company.

Establish partnerships and collaborations with other companies, universities, and research institutes to share knowledge and expertise and promote innovation.

Protect intellectual property and leverage it to enhance the company's competitiveness in the global knowledge market.

Develop a knowledge management strategy that aligns with the company's business objectives and view knowledge as a strategic asset to be managed effectively.

Practical Implications:

The study has several practical implications for Ukrainian companies. By implementing the recommendations proposed in the study, companies can enhance their knowledge management practices and improve their competitiveness in the global knowledge market. Effective knowledge management can help companies to:

- Improve productivity and efficiency by enabling employees to work more effectively and efficiently.

- Enhance innovation and creativity by promoting knowledge sharing and collaboration among employees.

- Reduce costs by improving inventory management and reducing duplication of efforts.

- Increase revenue by leveraging intellectual property and creating new products and services.

- Improve customer satisfaction by providing high-quality products and services that meet their needs and expectations.

Knowledge management is a critical success factor for companies in the knowledge economy. Ukrainian companies need to invest in knowledge management practices to enhance their competitiveness in the global knowledge market. By adopting the recommendations proposed in the study, companies can improve their knowledge management practices and achieve their business objectives.

In addition to promoting a knowledge-sharing culture, the study recommends that Ukrainian companies invest in information technology to enhance their knowledge management practices. Specifically, companies can use knowledge management systems and digital tools to capture, store, and disseminate knowledge throughout the organization. By leveraging technology, companies can create more efficient and effective knowledge management processes, which can lead to improved decision-making, innovation, and competitiveness.

Another important recommendation is for Ukrainian companies to establish partnerships with academic institutions, research organizations, and other companies to collaborate on research and development projects. These partnerships can help companies access new knowledge and expertise, and can also provide opportunities for joint ventures and new market entry. Collaboration with universities can also help companies to recruit talented graduates and build relationships with future potential employees.

The study suggests that Ukrainian companies should focus on developing their human capital through training and development programs. Companies can provide training on new technologies, leadership, communication, and other essential skills to help employees stay up-to-date with the latest trends and developments in the industry. Investing in human capital can improve employee retention rates, foster innovation, and enhance the overall knowledge management capabilities of the organization.

The research concludes by highlighting the significance of knowledge management for contemporary businesses and offering suggestions for Ukrainian businesses to improve their competitiveness in the international knowledge market. Ukrainian businesses may improve their knowledge management procedures and foster sustainable development and innovation by fostering a culture of information sharing, investing in technology, forging alliances, and building human capital. The results of this study can influence how the economy of Ukraine will evolve in the future and have immediate applications for Ukrainian businesses, decision-makers, and scholars.

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ANNEXES

ANNEX 1

SWOT ANALYS

Strengths:	Weaknesses:	Opportunities:	Threats:
<p>Expansion into New Markets: LPP can expand its market presence into new regions, such as Asia and the Americas, to increase its customer base.</p> <p>E-commerce Growth: The company can increase its online presence and invest in e-commerce to reach more customers and increase sales.</p> <p>Sustainable Fashion: With the growing demand for sustainable fashion, LPP can focus on offering eco-friendly and sustainable products to attract customers.</p>	<p>Strong Brand Image: LPP is a well-known fashion company that has a strong brand image in the fashion industry.</p> <p>Diversified Product Portfolio: The company offers a wide range of products, including clothing, footwear, and accessories, which helps it cater to a larger customer base.</p> <p>Efficient Supply Chain: LPP has a well-established supply chain network that enables it to efficiently manage its inventory and reduce costs.</p> <p>Established Market Presence: The company has a strong presence in Poland and other European countries, with over 1,800 stores in 25 countries.</p>	<p>Limited Global Presence: LPP's market presence is mainly limited to Europe, which may limit its growth opportunities in other regions.</p> <p>Dependence on a Few Brands: The company's revenue is heavily dependent on a few brands, which may increase the risk of revenue loss if any of these brands fail to perform well.</p> <p>Dependence on Physical Stores: LPP's sales primarily come from physical stores, which may limit its ability to reach customers who prefer online shopping.</p> <p>Opportunities:</p>	<p>Intense Competition: The fashion industry is highly competitive, and LPP faces competition from well-established players and new entrants in the market.</p> <p>Economic Uncertainty: Economic downturns can significantly impact consumer spending, which may affect LPP's revenue and growth prospects.</p> <p>Changing Consumer Preferences: Shifts in consumer preferences and trends may affect LPP's product offerings and demand for its products.</p>

ANNEX 2

PESTEL ANALYSIS

Political:	<p>Tax policies: Changes in tax policies can impact LPP's financial performance and profitability.</p> <p>Trade policies: Changes in trade policies, such as tariffs or quotas, can affect LPP's supply chain and increase its production costs.</p> <p>Labor laws: Regulations related to labor laws can impact LPP's operations, particularly in terms of wages and working conditions</p>
Economic:	<p>Economic conditions: LPP's sales and profitability can be impacted by the overall economic conditions in Poland and other countries where it operates.</p> <p>Inflation: Inflation can increase LPP's operating costs, including raw materials and labor.</p> <p>Consumer spending: LPP's sales are closely tied to consumer spending patterns, and changes in consumer behavior can impact its sales and profitability.</p>
Social:	<p>Fashion trends: LPP's success is closely tied to its ability to stay on top of fashion trends and meet the evolving demands of its customers.</p> <p>Demographic changes: Changes in demographics, such as the aging population or changes in family structures, can impact LPP's target market and sales.</p> <p>Social responsibility: Consumers are increasingly conscious of social responsibility issues, such as sustainability and ethical production practices, and LPP needs to meet these expectations to maintain its reputation.</p> <p>Fashion trends: LPP's success is closely tied to its ability to stay on top of fashion trends and meet the evolving demands of its customers.</p> <p>Demographic changes: Changes in demographics, such as the aging population or changes in family structures, can impact LPP's target market and sales.</p> <p>Social responsibility: Consumers are increasingly conscious of social responsibility issues, such as sustainability and ethical production practices, and LPP needs to meet these expectations to maintain its reputation.</p>
Technological:	<p>E-commerce: The growth of e-commerce presents opportunities for LPP to expand its reach and increase sales, but also poses a threat to its brick-and-mortar stores.</p> <p>Digitalization: LPP's ability to leverage digital technology in its operations and marketing can impact its competitiveness and sales.</p> <p>Data privacy: Regulations related to data privacy can impact LPP's ability to collect and use consumer data for marketing purposes.</p>

<p>Environ mental:</p>	<p>Sustainability: As consumers become more environmentally conscious, LPP needs to address sustainability issues in its operations and supply chain to maintain its reputation and appeal to customers.</p> <p>Climate change: Changes in climate patterns can impact LPP's supply chain and production processes.</p> <p>Resource depletion: LPP needs to be aware of the availability and sustainability of the natural resources it uses in its production processes</p>
<p>Legal:</p>	<p>Intellectual property: LPP needs to be aware of intellectual property laws and protect its trademarks and designs.</p> <p>Consumer protection: Regulations related to consumer protection can impact LPP's marketing and sales practices.</p> <p>Employment laws: LPP needs to comply with employment laws related to wages, working conditions, and discrimination to avoid legal consequences.</p>