

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

Faculty of Management and Business

Department of International Economic Relations, Business & Management

**Bachelor's Qualification Work**

The essence of organizational management structure and its role in achieving the goal  
(based on Business Media Network case)

Bachelor's student of the 4<sup>th</sup> year study

Field of Study 07 – Management  
and Administration

Specialty 073 – Management

Educ. program – Management

**Mariia Klymenko**

Research supervisor

**Liudmyla Serova**

*(First Name, Last Name)*

Ph.D. in Economics

Kyiv – 2024

## **Abstract**

The essence of organizational management structure and its role in achieving the goal  
(based on Business Media Network case)

The work was focused on the essence of organizational management structure and its role in achieving the goal. It is shown that the organizational management structures have the direct connection with successful goal achievement of organizations. The study examines organizational models, reviews the empirical data and theoretical frameworks. The Business Media Network case was used during the research, the work delves into the in-depth study of management structure of Business Media Network, the key elements of process of managing entity and determines the management processes.

In the work materials of Business Media Network were used, specifically, companies organizational management structure, financial statements and other significant characteristics of the company for the research. The work concludes with detailed description of research process and achievements, and gives necessary recommendations regarding improvements of organizational management structure.

**Keywords:** organizational management structure, goal achievement.

## **Анотація**

Сутність організаційної структури управління та її роль у досягненні мети (на прикладі Business Media Network)

Робота була присвячена сутності організаційної структури управління та її ролі в досягненні мети. Показано, що організаційні структури управління мають прямий зв'язок з успішним досягненням цілей організацій. У дослідженні розглядаються організаційні моделі, аналізуються емпіричні дані та теоретичні основи. Під час дослідження використовувався кейс Business Media Network, робота присвячена поглибленому вивченню структури управління Business Media Network, ключових елементів процесу управління суб'єктом та визначає процеси управління.

У матеріалах роботи Business Media Network були використані, зокрема, організаційна структура управління компаніями, фінансова звітність та інші значущі для дослідження характеристики компанії. Робота завершується детальним описом дослідницького процесу та досягнень, а також надає необхідні рекомендації щодо вдосконалення організаційної структури управління.

**Ключові слова:** організаційна структура управління, досягнення мети.

**PHEE-institute «Ukrainian-American Concordia University»**

**Faculty 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

**Prof. Zharova L.V.**

“ ” 20

**TASK**

**FOR BACHELOR’S QUALIFICATION WORK OF STUDENT**

**Mariia Klymenko**

1. Topic of the bachelor’s qualification work

The essence of organizational management structure and its role in achieving the goal  
(based on Business Media Network case)

Supervisor of the bachelor’s qualification work Serova Liudmyla PhD in Economics,  
Associate Professor

Which approved by Order of University from **“25” September 2023** № 25-09/2023-1к

2. Deadline for bachelor’s qualification work submission **“25” April 2024.**

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)

*There are three main topics/tasks for the thesis: foundation of organizational management structure and its significance, study of management structure of Business Media Network, ways of improvement if management structure of Business Media Network.*


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


*Graph and tables for illustrating the dynamic of financial indicators of the company activity and schemes for visualization the organization management system of the company.*

6. Date of issue of the assignment

## Time Schedule

| №  | The title of the parts of the qualification paper (work) | Deadlines  | Notes   |
|----|--|------------|---------|
| 1. | I part of bachelor thesis                                | 10.12.2023 | In time |
| 2. | II part of bachelor thesis                               | 27.02.2024 | In time |
| 3. | Introduction, conclusions, summary                       | 25.04.2024 | In time |
| 4. | Pre-defense of the thesis                                | 29.04.2024 | In time |


Student  \_\_\_\_\_  
(signature)

Supervisor  \_\_\_\_\_  
(signature)

### Conclusions:

*M. Klymenko's bachelor thesis is highly relevant as it delves into the essence of organizational management structure and its pivotal role in goal achievement. The thesis is well-structured, comprising an introduction, three sections, conclusions, and recommendations, each aligning seamlessly with its designated topic. It adheres to the standards and requirements for obtaining a bachelor's degree, with illustrative materials enhancing the clarity and coherence of the presented information.*

*Moreover, the practical significance of the thesis is underscored by the proposed set of measures aimed at improving the management system of the company BMN. These recommendations promise to enhance the efficiency of the company's operations. Notably, the thesis stands out as an independent exploration of both theoretical and practical facets of management. Given its thoroughness and relevance, M. Klymenko's bachelor thesis is highly recommended for defence.*

Supervisor  \_\_\_\_\_  
(signature)

## CONTENT

|  |    |
|--|----|
| INTRODUCTION.....  | 3  |
| CHAPTER 1. FOUNDATION OF ORGANIZATIONAL MANAGEMENT<br>STRUCTURE AND ITS SIGNIFICANCE                             |    |
| 1.1. The essence of management structures as a component of the system management of<br>a modern enterprise..... | 6  |
| 1.2. Main approaches to management structures and goal achievement.....  | 12 |
| 1.3. Peculiarities of management structures in different types of organization.....                              | 20 |
| CHAPTER 2. STUDY OF MANAGEMENT STRUCTURE OF BUSINESS MEDIA<br>NETWORK  |    |
| 2.1. Key elements of management process of Business Media Network.....   | 28 |
| 2.2. Analysis of organization structure of Business Media Network.....   | 40 |
| 2.3. Investigation of the management process of Business Media Network.....                                      | 47 |
| CHAPTER 3. WAYS OF IMPROVEMENT OF MANAGEMENT STRUCTURE OF<br>BUSINESS MEDIA NETWORK                              |    |
| 3.1. Necessity of improvement of organizational management structure of Business<br>Media Network.....           | 54 |
| 3.2. Recommendations for effective delegation of authority in the organization.....                              | 62 |
| 3.3. Analysis of the effectiveness of the proposed improvements.....   | 67 |
| CONCLUSIONS.....   | 76 |
| REFERENCES.....  | 79 |
| APPENDICES.....  | 83 |

## INTRODUCTION

The well-designed organizational management structure can effectively help business achieve all the goals, this bachelor thesis will explore into the essence of organizational management structure and its role in achieving the goal. The well-organized organizational structure will work as a highly effective organizational framework for process of making decision in the context of today's world, it will promptly respond to challenges and threats faced by entity. Additionally, successfully established organizational management structure will facilitate the alignment of organizational goals and objectives with employees efforts ensuring that everyone is doing the right thing and will contribute to joint accomplishment.

The bachelor qualification work consists of introduction, three chapters, conclusion, list of references and appendices, in the work we will consider a Business Media Network case and during each stage of the work we will look at important elements regarding essence of organizational management structure and how crucial its role in achieving the organizational aims.

The relevance of this work is determined by pivotal role that organizational management structure has in achieving organizational goals. The foundation of organizational success is concentrated on well-planned management framework. The comprehending of management structure suitable for business and optimization is essential to increase efficiency, to rapidly achieve goals of organization and foster the innovation inside it.

The aim is to deeply investigate the organizational management structure and its pivotal role in driving goal attainment, specifically within the framework of the Business Media Network case study.

1. Investigate the essence of management structures as a component of the system management of a modern enterprise.
2. Identify the main approaches to management structures and goal achievement.
3. Determine peculiarities of management structures in different types of organization.

4. Assess key elements of management process of Business Media Network.
5. Analyze organizational structure of Business Media Network.
6. Investigate the management process of Business Media Network.
7. Determine necessity of improvement of organizational management structure of Business Media Network.
8. Identify recommendations for effective delegation of authority in the organization.
9. Analysis of the effectiveness of the proposed improvements.

The research objects are the role of organizational management structure in goal achievement process, the characteristics of organizational management structure and the application of effective organizational management structure into the Business Media Network context.

The research subject entails an exploration of theoretical, methodological and practical approaches to the essence of organisational management structure to enhance development of the business and its competitiveness with the focus on Business Media Network case.

The first chapter of this work will consider the essence of management structures as a component of the system management of a modern enterprise, we will start with ways to create a successful organizational structure. Furtherly, we will look at the financial and non-financial benefits of implementing management structure. We will look at approaches of different scientists to organizational structures. In the next section, we will explore main approaches to management structures and goal achievement, we will discuss different approaches like centralized and decentralized, hierarchical and circular, vertical and flat. Then we will explore four common types of organizational structure, we will talk about some other effective but less commonly used structures. In the last section of the first chapter, we will look at the different management structures in various types of organizations, we will delve into the distinctive characteristics of each structure and their goal achievement, furtherly comparison of hierarchy and adaptive organizational



structure and consider comparison of conditions for the effective use of hierarchical and adaptive organizational structures.

In the second chapter we will consider key elements of management process Business Media Network, additionally, we will consider services and products Business Media Network provides to its clients, and the strategic, operational and tactical goals of organization. In the next part we will review main characteristics of organizational structure of Business Media Network, at furtherly reviewed the City Showcase, Deal flow, Business Marketplace, and Mayors' Club, each one of them have a special characteristic and the way systems are organized. In the last part of the second chapter, we will investigated the SWOT-analysis and determined strengths, weaknesses, opportunities and threads of the organization, additionally, we will consider the SWOT-matrix of Business Media Network and considered such combination as Strengths and Opportunities, Weaknesses and Opportunities, Strengths and Threads, Weaknesses and Threads, and lastly we will consider the management scheme process of Business Media Network.

In the third chapter we will review Business Media Network innovative approaches such as: its business platforms, flexible business operation, collaboration and goals, such elements position Business Media Network as progressive organization. In the next part of the third chapter we will review six aspect that will be helpful during the process of delegation of tasks and etc, to them we can divide: investigate and comprehend how your team work, define expectations clearly, provide employee with all the needed resources, each employee has its own specific task he is good at, nurture the employees ability to communicate transparently, stop micromanagement. And in the last section of the third chapter, we will consider analysis of potential effective of proposed five improvements.

The topic "The essence of organizational management structure and its role in achieving the goal" is highly popular in today's world, the following research organized in the way that is convenient to comprehend, let's start considering it gradually.

## CHAPTER 1. FOUNDATION OF ORGANIZATIONAL MANAGEMENT STRUCTURE AND ITS SIGNIFICANCE

### 1.1. The essence of management structures as a component of the system management of a modern enterprise

Let's start the first chapter by reviewing the structure of management as a component of modern enterprise. Nowadays effectively designed organizational structure plays a crucial role in achieving success in competitive business environment. However, not one structure will be effective without a practical management system that facilitates efficient communication and information sharing across the entire company. For the management structure individuals within the management system are also important, they consider various cultural factors that could impact the functioning of the organization. These factors have characteristics unique to each organization, relationships among team members, competition dynamics, and overall business performance. Together, these elements display business process.



Fig.1.1 Three main characteristics of successful establishment of organizational management structures.

Source – made by the author based on [2]

The effective design of organization begins with a company structure that aligns with all the processes in an organization. The fig.1.1 represents components of successful establishment of organizational management structure, below are several objectives that contribute to successful establishment organizational management structure:

- The first one is having established authority. In organization management, sphere it is crucial to clearly define managerial roles. The well-established company structure not only fosters effective leadership but also facilitates the delegation of tasks and responsibilities among employees.
- The second one is establishment of well-defined job roles. To optimize performance of business it is important to clearly define roles in the company, all the employees in organization should understand their responsibilities.
- The third one is emphasizing growth. Continues desire for improvement is a key principle that drives the organizational management. As an example of a common organizational management goal will be suitable to inspire productive growth among employees, it is often achieved through employee training programs.

For now, let us consider the advantages of implementation organizational management strategies to a firm. Organizations can effectively set goals and accomplish them with the help of organizational management strategies.

Below presented several advantages that organization management strategies bring to company (fig.1.2). Let's divide advantages into two categories financial benefits and non-financial benefits, primarily we will consider financial benefits:



Fig.1.2 Five financial advantages of employing organizational management strategies.

Source – made by the author based on [4]

The first one is profitability management. This characteristic allows top-level executive to receive valuable feedback from department leaders, the information helps to understand obstacles at various levels within company and make informed decisions that enhance profitability. With the ability to have access to current conditions of organization, the top-level executives can adjust long-term objectives and increase financial growth.

The second one is solvency planning. Strategic management considers mostly long-term objectives, the responsible people in organization conduct analysis of assets, liabilities, and net worth, in order to comprehend whether organization is capable of sustaining the expenses over time. To ensure financial stability, organization adjust their asset-debt ratio and uphold paying capacity.

The third one is monitoring of liquidity. Strategic management allows companies to monitor cash flow statements and liquidity reports, it gives companies possibility to ensure that their cash flow is aligned with their long-term objectives.

The fourth one is increased generation of revenue. The operational process can be modifying as many times as needed by senior management. With the help of strategic management organization may generate competitive ideas and adjust process to surpass the competitors' strategies. This approach facilitates the generation of innovative concepts that offer long-term advantages for the revenue's aspect of organization.

The fifth one is prevention of legal risks. Various policies can be implemented by organization, additionally, the key stakeholders may seek guidance from experts to ensure that they hold legal requirements. The consulting with professional advisers assists with minimizing potential risks associated with failure to meet legal obligations.

Let's review non-financial benefits of strategic management, there are presented in the fig.1.3.

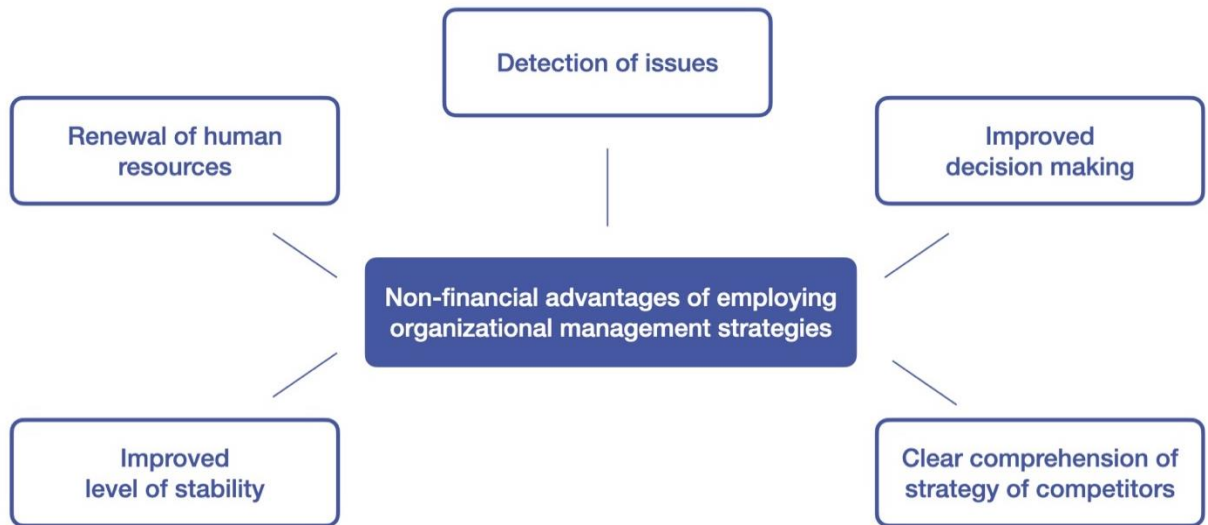


Fig.1.3 Five non-financial advantages of employing organizational management strategies.

Source – made by the author based on [4]

The first one is renewal of human resources. Most of the organizations implement proactive hiring to attract talented employees and enhance their competitiveness. The way how companies use proactive planning are: development of comprehensive job descriptions, better recruitment methods and other initiatives that reduce employee's turnover.

The second one is detection of issues. Organizations facilitate the examination of strength, weakness, opportunities, and threats that they may face, additionally they adopt various strategies, such as: pricing changes, additional distribution channels and other.

The third one is improved decision making. The strategic management offers advantage of short-term decision-making practice. For instance, when employee presented with an opportunity to undertake a project, he can make a faster and better decision regarding it by assessing quickly how well project aligns with a company's objectives.

The fourth one is clear comprehension of strategy of competitors. Organizations can gain valuable insights into the strategies of their competitors, after that they can implement their own strategies without being judges for copying. Additionally, this practice helps to build strong brand awareness.

The last one is the improved level of stability. Businesses can decrease their reliance on specific entities by diversifying market research, expending of organization through acquisition of other entities and launch of novel product lines. This advantage will help to mitigate the impact of external users on overall profitability of company.

Furtherly, let us consider approaches of different scientists to organizational structures. For this part we chose three figures that have prominent ideas that will be useful for understanding of this sub-chapter.

Max Weber. A famous economist from Germany, his work connected to organizational structures is bureaucracy [19]. He introduced concept of authority structure, it involves connections, rules, and hierarchy. His method emphasizes on definition of clear organizational structure, distinctive job roles and processes. Weber designed bureaucracy to reduce uncertainty, promote consistency withing organization and improve efficiency.

Weber's bureaucracy is characterized by:

- A system of organization with clear levels and divisions
- Clearly defined authority and specific areas for each person's responsibilities
- Decisions made based on written rules that are documented
- Officials with specialized training in their roles
- Rules enforced by impartial officials

Joan Woodward. A British sociologist, she is famous for her work Contingency theory [20]. The Contingency theory says that the best for an organization dependent on the environment and technology. In Woodward opinion, organizations can be separated into three categories.

Woodward main characteristics of contingency:

- Organisations are dynamic entities that require effective management to meet internal demands and respond to external conditions.

- There isn't a single optimal way of structuring an organisation. The most appropriate approach depends on the nature of the task or context at hand.
- Above everything else, managers should prioritize achieving harmony and compatibility.
- Various characteristics of organisations are necessary in different environments.

Henry Mintzberg. A Canadian business theorist, he is famous for his work on Configurational theory [18]. Different types of organizational structure are classified based on their primary characteristics. This approach mainly emphasizes on how different organizational parts connected and how specific characteristics impact its attitude and performance.

Mintzberg main successful organizational structures:

- The startup organization (or small-scale structure).
- The mechanized organization (or bureaucratic machine).
- The expert-based organization.
- The segmented (or diversified) organization.
- The creative organization (also referred to as a flexible and adaptive structure).

To conclude, in this chapter we considered management structures as a component of the system management of a modern enterprise, the ways how to establish a successful organizational structure, the components are established authority, well-defined job roles and emphasizing growth. Furtherly we reviewed financial and non-financial advantages of employing organizational management structure. The main financial advantages are: profitability management, solvency planning, monitoring of liquidity, increased generation of revenue and prevention of legal risks. The main non-financial advantages are: renewal of human resources, detection of issues, improved decision making, clear comprehension of strategy of competitors and improved level of stability. And lastly, we considered approaches of prominent scientists to organizational structure. Clearly reviewing this part of the work essential for a great comprehension of further information.

## **1.2. Main approaches to management structures and goal achievement**

In this part of the chapter let us consider all the information regarding management structures and main approaches to goal achievement. Obviously, business requires an appropriate organizational structure. The organizational structure determines the appointment of roles, responsibilities, job functions, decision-making authority within a company. Additionally, management structures illustrate the hierarchical order and flow of information. Let's review each organizational structure gradually.

Firstly, let's consider Centralized and Decentralized management structures. Organizations around the world implement centralized organizational structure in their businesses, this structural approach involves a clear hierarchy and definite duties for each role, allowing transparent leadership to exist. On the other hand, in a decentralized organizational structure, teams have greater levels of independence to make decisions, additionally they have ability to collaborate across different groups.

Secondly, we will look into Hierarchical and Circular management structure. The hierarchical structure of an organization is commonly represented by a pyramid shaped chart, where position at the top holds highest authority and subsequent levels have less responsibilities and power. On the contrary, a circular organizational chart features circles with company leadership located at the center of the circle. The information within the company shares outwardly from the center.

Thirdly, we will define the Vertical and Flat management structures. A vertical organizational chart has a hierarchical structure where a selected group of leaders hold the highest positions, subsequent levels within this hierarchy holds less authority and responsibility, vertical structures include functional, product-based, market-based, and geographical organizational structures. In contrast to the vertical approach, a flat organization structure allows individuals to report to multiple superiors, for instance, flat structure can be in matrix organizational systems.

For now, let us consider gradually four common types of organizational structure.



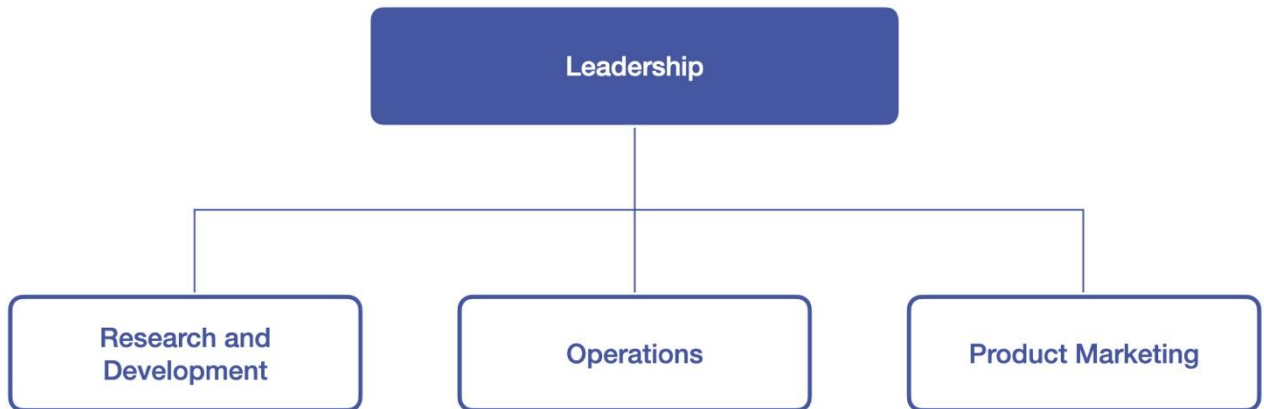


Fig.1.4 Scheme of Functional-based organizational structure.

Source – made by the author based on [5].

The first one is Functional-based structure (fig.1.4). The functional organizational structure is popular among many organizations. This type of structure is characterized by clearly defined roles, job functions and decision-making authority, the leadership within organization is centralized. A functional structure promotes a high levels of accountability, clear expectations and a well-defined chain of command. However, sometimes this type of structure can prevent employee growth and hinder communication and collaboration within departments.

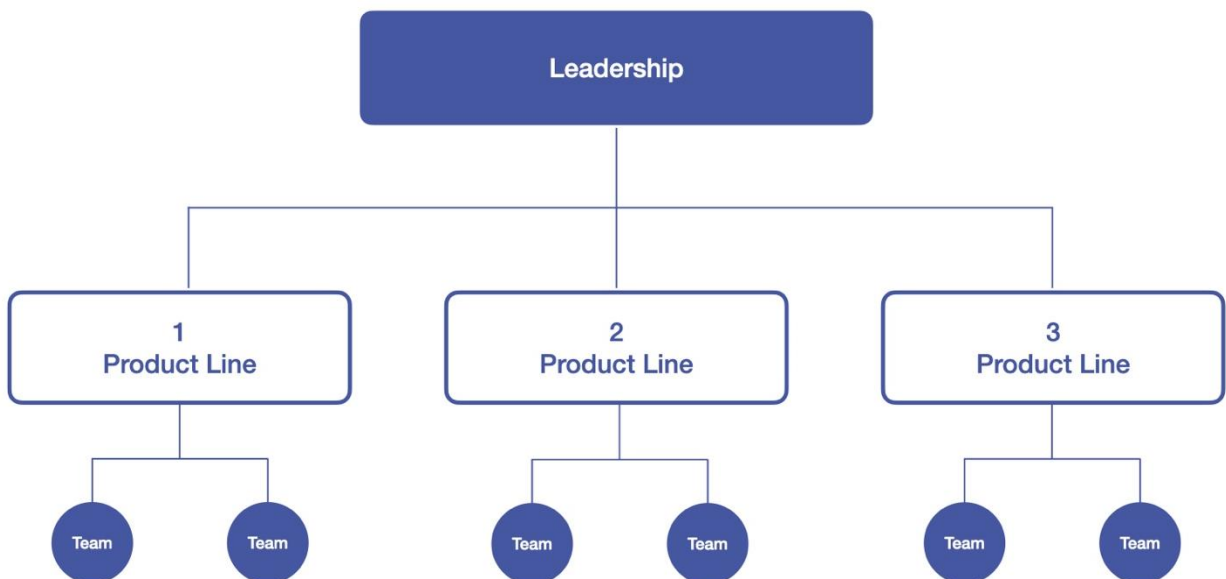


Fig.1.5 Scheme of Product-based organizational structure.

Source – made by the author based on [5].

The second one is Product-based structure (fig.1.5). The product-based structure follows a hierarchical and centralized approach, it is organized based on the company's products or markets. This type of structure is highly used by companies with multiple product lines and diverse markets. However, if there are issues within functions between product or market teams and inadequate inter-team communication, failures can arise. To effectively work in such business structure, it is important for companies to ensure compatibility among different teams by promoting effective communication and

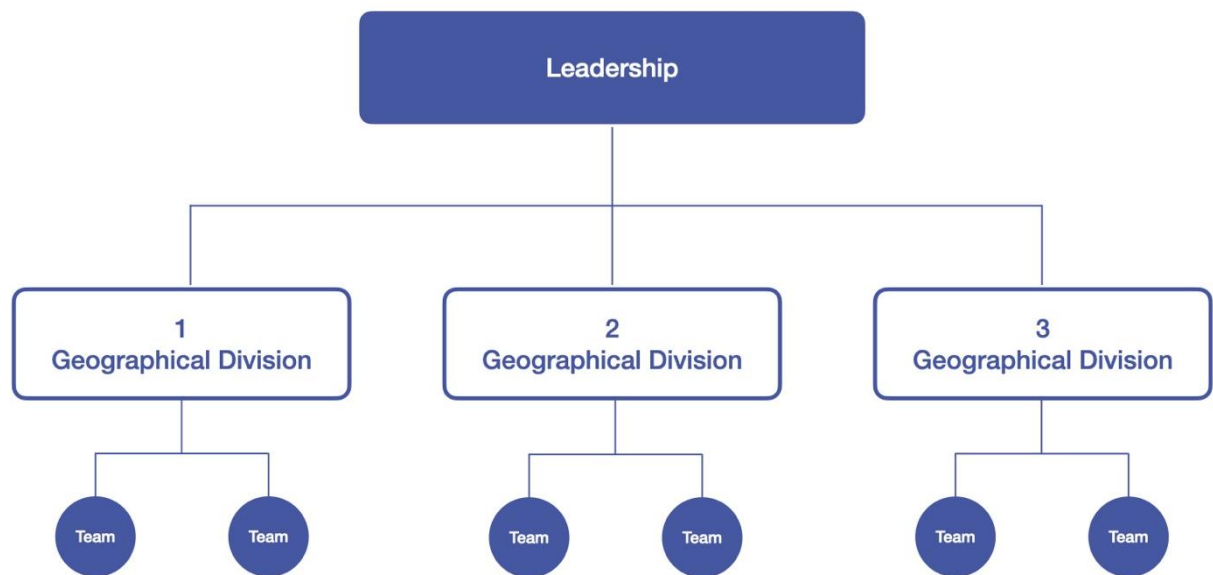


Fig.1.6 Scheme of Geographical organizational structure.

collaboration.

Source – made by the author based on [5].

The third one is Geographical structure (fig.1.6). Organizations with a wide geographic presence chose this type of structure. By implementing the geographical structure, organizations can change their organizational frameworks to match the local culture, language, and professional practices. Therefore, this structure is effective for organizations located withing to world.

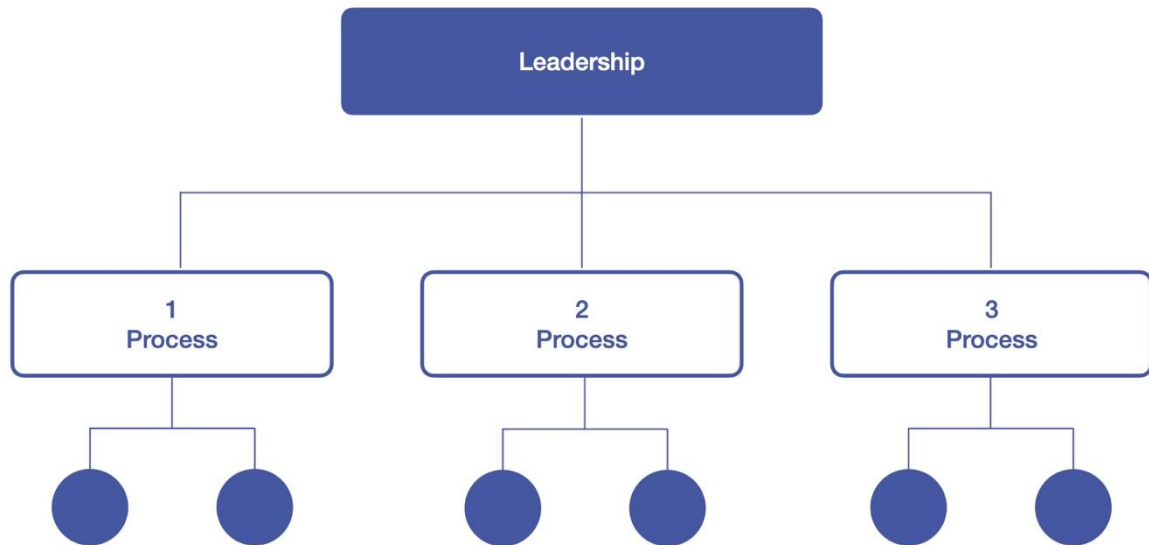


Fig.1.7 Scheme of Process-based organizational structure.

Source – made by the author based on [5].

The fourth one is Process-based structure (fig.1.7). The process-based structure is designed to align with the complete life cycle of a product or service. This structure focuses on the work of each stage including research and development, product creation, order fulfillment, billing, customer services and etc. This organizational approach promotes efficiency, foster collaboration among teams, and facilitate specialization. However, without effective communication emphasized within teams, barriers and challenges may occur.

Let's consider now other organizational structure that are also important and effective.

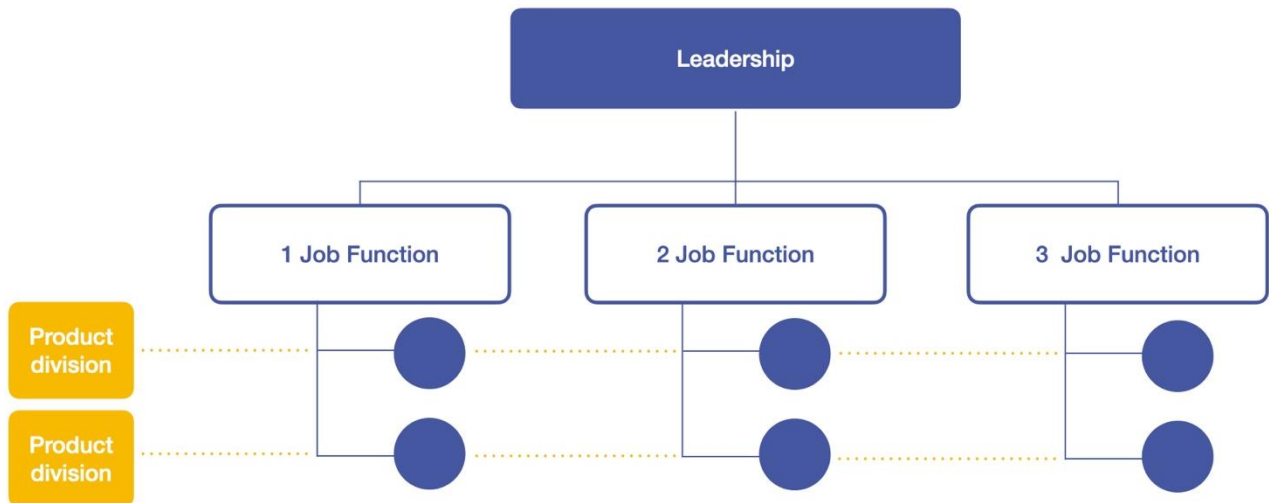


Fig.1.8 Scheme of Matrix organizational structure.

Source – made by the author based on [5].

The first one is Matrix Structure (fig.1.8). In a matrix organizational structure, employees report information to a multiple teams, they are responsible for various tasks and can take part in work in different parts of organization. This type of structure increases collaboration across different areas of the company, however, due to its complexity, it can sometimes lead to challenges in terms of establishing effective communication and accountability within the organization.

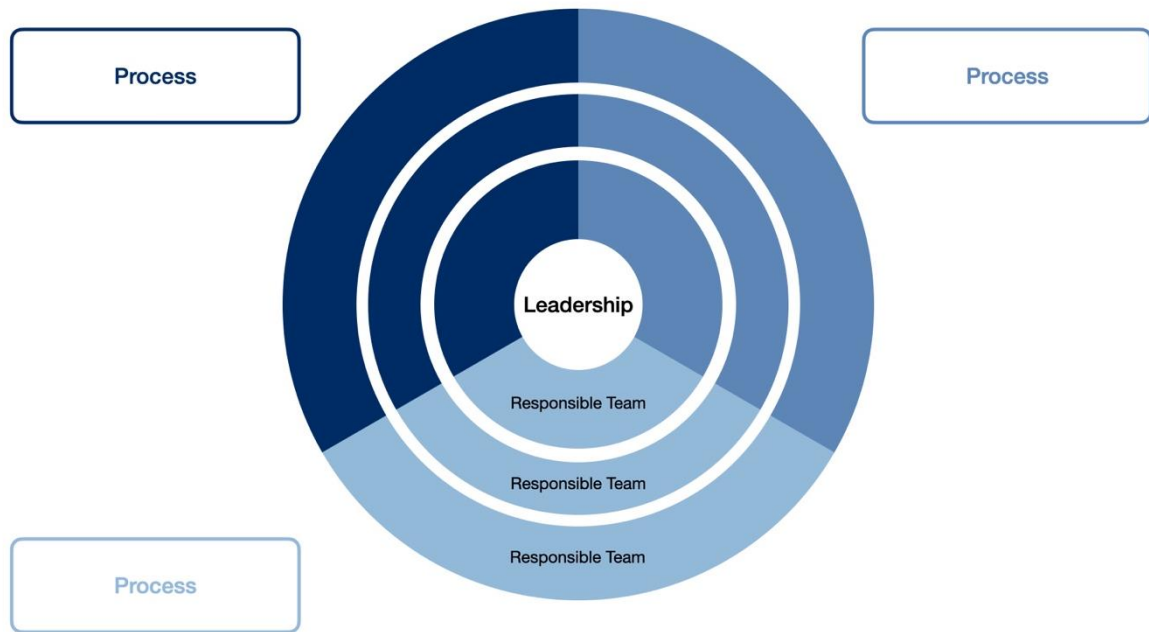


Fig.1.9 Scheme of Circular organizational structure.

Source – made by the author based on [5].

The second one is Circular Structure (fig.1.9). Circular structure is characterized by centralization and hierarchy. It entails decentralization, all the actions in the organization are generated from the center and distributed to the corners. Circular structure is effective in enhancing communication and collaboration among team members, however for a new employee it may be hard to comprehend due to the absence of a clear chain of command.

The third one is Organic Structure. Organic organizational structure promotes effective communication amongst all staff members, the complexity of a structure enhances productivity. However, it may be hard for authorities to make a final decision, the structure of organization fosters a friendly company culture, additionally such structure is cost-efficient.

After reviewing in detail each organizational structure, it is crucial to understand goal-achievement aspect of all seven structures. Let's start considering gradually them by reviewing table 1.1.

Tablet 1.1 Organizational structures and their goal achievement aspects.

| <i>Organizational structure</i> | <i>Goal achievement aspect</i>   |
|---------------------------------|--|
| Functional-based                | Goals are set and aligned for specific department.   |
| Product-based                   | Goals centered around product development and working together across different teams.                                   |
| Geographical                    | Customized goals specific to the requirements of the region.   |
| Process-based                   | Goals are focused on improvement of main business processes and overall productivity.                                    |
| Matrix                          | Goals set to maximize balance withing various sectors of the organizational structure.                                   |
| Circular                        | Goal setting involves whole team, all the tasks solved collectively, and decision-making process involves all employees. |
| Organic                         | Goals achieved with the help of innovative thinking and driven by group imagination.                                     |

Source – made by the author based on [5].

First, functional-based organizational structure. In this structure each department sets it's own goals and strategies to achieve them, for them highly important to coordinate effectively in order to achieve organizational goals.

Second, product-based organizational structure. In this structure each department focuses on achieving goals in specific product lines and product category. Each category and line has its own list of goals, organization has to achieve. Collaboration is essential for organization to achieve all goals.

Third, geographical organizational structure. In this structure each department is responsible for specific region or location. Teams of professionals operating locally are responsible for customization of goals based on the area they are in and accomplish objectives that are coordinated with their geographical region.

Fourth, process-based organizational structure. In this structure organization is focused of improving business operations and enhance their work. The goals are to maximize effectiveness of organization processes and minimize any unnecessary delays.

Fifth, matrix organizational structure. In this structure each team has a various sets of goals, for instance the goals might be connected to all four structures we reviewed previously, such objectives that usually consists of functional, product, geography and process goals. For this type of organization to effectively achieve goals crucial to have alignment within organization.

Sixth, circular organizational structure. In this structure organizational teams mostly focused on improvement of collaboration, all decision-making practices involve whole team. Goals set and achieved collectively, through the responsibility for organizational success.

Seventh, organic organizational structure. This structure involves achievement of goals through innovation and creativity of the teams, goals set are flexible and can be changed if a new ideas and opportunities will come.

To finish off, in this part of the chapter were considered main approaches to management structures and how they achieve goals. Firstly, we reviewed different approaches, such approaches are: centralized and decentralized, hierarchical and circular, vertical, and flat. Secondly, we considered four common types of organizational structure, to them we can divide: functional-based, product-based, geographical, and product-based. Thirdly, we looked at other effective, but less implemented organizational structures, such as: matrix, circular, organic and their achievement of goals. And lastly, we considered how they achieve goals. All the information above is crucial and will be useful for understanding of further topics.

### **1.3. Peculiarities of management structures in different types of organization**

In this part of the first chapter, we will look at different types of organizations, characteristics of their management structure, external and internal environment and how to identify the best organizational structure. Organizations has to analyze various factors to implement the best possible organizational structure, the analysis of external and internal environment will clarify what organizational structure should be.

These factors include the following four groups:

- external environment and infrastructure in which the organization operates.
- technology of work and type of joint activity.
- characteristics of personnel and corporate culture.
- organizational development strategy and prototypes - already existing and proven effective organizational structures of similar organizations.

Factors of the external environment include:

- the complexity of the external environment, which is determined by the number and degree of similarity of factors affecting the organization.
- the dynamism of the external environment, which is associated with the speed of change in factors affecting the organization from the outside.

At the time organizations work on their structures, it is crucial to consider that the organization can exist in four fundamentally different situations dependent of the nature of factors of external environment. The fig1.10 illustrates 4 situation that will be clearly explained later in a paper.



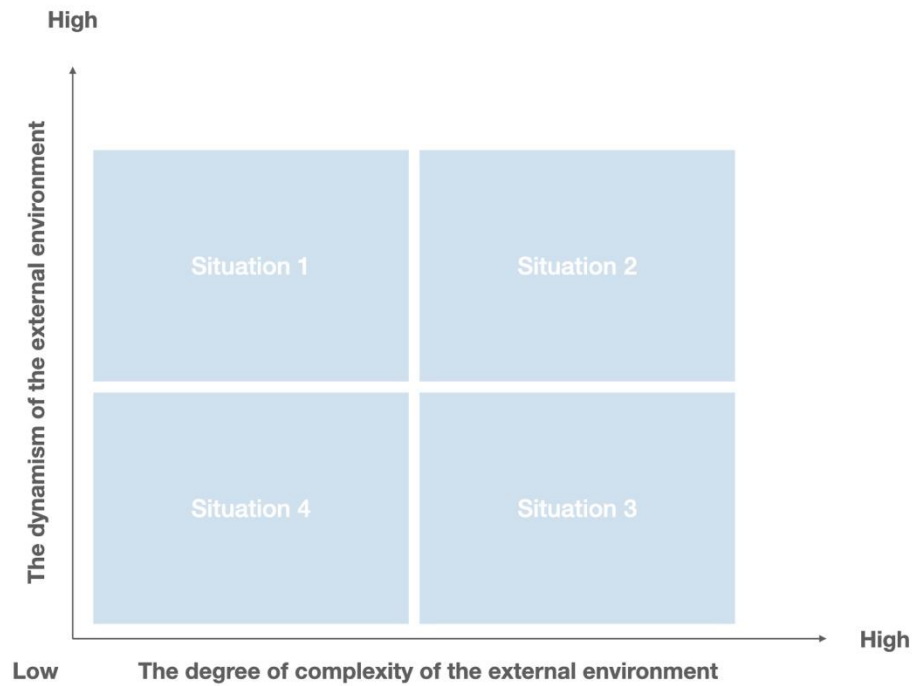


Fig.1.10 The main types of situations depending on environmental factors.

Source – made by the author based on [21].

- Situation 1 is characterized by moderate to high uncertainty: there are few factors, they are similar to each other, but they often change, but at the same time, they easily lend themselves to forecasting changes. Such a situation can be observed in industries that produce consumer goods, for example, clothing. For enterprises working in a similar environment, there can be an effective functional organizational structure built, for example, on the product or consumer principle.
- Situation 2 is characterized by high uncertainty: factors many, they are not similar and are constantly subject to change. Such a situation can arise in industries that produce complex modern equipment, for example, modern computer systems. For such organizations, the project (or matrix, if there is a sufficient number of simultaneously implemented projects) organizational structure may be the most effective.
- Situation 3 is characterized by moderate uncertainty: there are many factors, they are not similar to each other, but the situation is quite stable, the factors almost

do not change. Such a situation can be observed in industries related to complex production, depending on many aspects of the situation, but rather stable and traditional ones, for example, the search, extraction and processing of minerals. For such organizations, a linear organizational structure strengthened by functional connections can be effective.

- Situation 4 is characterized by low uncertainty: it is practically stable - there are few factors, the factors are similar and practically unchanged. Such a situation can be observed in situations of traditional production, for example, hunting, handicraft production.

Furtherly, let's look at the table 1.2 that comparison of hierarchy and adaptive organizational structure.

Table 1.2 Comparison of hierarchy and adaptive organizational structures.

| <i>Comparison criterion</i>   | <i>Hierarchical management structure</i>                   | <i>Adaptive Management structure</i>  |
|---|--|---|
| Characteristics of the management hierarchy                               | Rigid hierarchy. Levels of management are clearly defined. | Lack of hierarchy of its vagueness. Management levels are not clearly defined.                                |
| Characteristics of the development of vertical and horizontal connections | Highly developed vertical subordination communications.    | High level of horizontal integration between personnel. Well-developed links of cooperation and coordination. |
| Manual type   | Monocentric, constant.                                     | Polycentric, change of leaders according to situations.   |

|  |   |  |
|--|---|--|
| Formalization of applied rules and procedures for carrying out management activities | Rigid formalization of rules and procedures.                                      | Weak or moderate formalization of rules and procedures.                        |
| Formalization of relations between management personnel                              | Narrowly defined duties rights and responsibilities.                              | Broadly defined duties rights and responsibilities.                            |
| Division of managerial labor   | Narrow specialization of activities. Rigid and permanent assignment of functions. | Wide specialization of activities. Temporarily assigning a function to groups. |
| Acceptance characteristics management decisions                                      | Centralization of management decisions.   | Decentralization of management decisions.                                      |
| Characteristics of the organization's personnel relations                            | Formal relationship of an official nature.  | Informal relationship that are personal in nature.                             |

Source – made by the author based on [21].

Let's consider comparison of conditions for the effective use of hierarchical and adaptive organizational structures, they are illustrated in the table 1.3.

Table 1.3 Comparison of conditions for the effective use of hierarchical and adaptive organizational structures.

| <i>Conditions</i>                           | <i>Hierarchical management structure</i>              | <i>Adaptive management structure</i>   |
|---|---|--|
| Characteristics of the external environment | Stability and simplicity of the external environment. | Uncertainty and complexity of external |

|  |  |  |
|--|--|--|
|  |  | factors and the acceleration of their change.  |
| Characteristics of the goals and objectives being implemented                            | Goals and objectives are simple and clear. Tasks can be divided. Work is measurable.               | The tasks do not have a clear boundaries, It is difficult and sometimes impossible to measure work.  |
| Possibility of regulation rations for performing managerial functions of the authorities | Constant repetition of the same work, which allows them to be regulated. This power is recognized. | Rare repetition of the same work, as a result of which it becomes difficult to regulate the performance of management functions. Authority of power conquered. |

Source – made by the author based on [21].

Let's continue with reviewing five most common types of organization (fig.1.11), examples of organizations from the graphic and key elements of their structure.



Fig.1.11 Scheme of common types of organization.

Source – made by the author based on [14].

The first type is for-profit organizations. They primarily prioritize making as much revenue as possible and ensuring maximum profits for their owners and shareholders, the Business Media Network is for-profit organization.

Considering the main peculiarities in Business Media Network for-profit organization management structure, they have hierarchical management structure in their business, however sometimes for-profit organizations might also implement flat or matrix structures. It includes someone in charge like a CEO or President at the top, and then other positions like Vice Presidents, Directors, Managers, and employees who directly interact with customers. When it comes to making decisions, it's often done from the top down with an emphasis on making money and reaching financial targets.

The second type is non-profit organizations. These organizations address social and environmental. Such organizations implement money earned to the company mission. Non-profit organizations are foundations, for instance in Ukraine we have famous non-profit organization called “masha.foundation” created for women who have suffered violence.

Following the features of non-profit organization management structure, such organizations can have management structures that resemble those of for-profit companies, but with a clear focus on their mission. In most cases they use functional or flat structures. They have executive directors or CEOs who oversee the organization, along with boards of directors responsible for governance. During decision making process such type of organizations consider both financial sustainability and the impact on the community.

The third type is government organizations. Government organizations are created and financed by the government to offer services to the public and help society. Such type of organization are responsible for important aspects of human lives. The National Bank of Ukraine is a government organization, they responsible for monetary policies, and financial regulations.

Reviewing the main characteristics of National Bank of Ukraine government organization, it has hierarchical management structure. The government organizations have a chain of command that starts with top officials like directors, mayors and etc. They are responsible for overall work of the enterprise. Each department or agency within the government has its own management structure.

The fourth type is international organizations. International organizations are groups formed by several countries to tackle worldwide problems and encourage collaboration. This international organizations focus on worldwide peace, trade at a global level and public healthcare concerns. The famous WHO or The World Health Organization is an example of international organization and their responsibilities are public health.

Looking at the primary peculiarities of WHO international organizations, their management structure is geographical, however sometimes international organizations might have a matrix structure. They have leaders like directors, secretary and etc who are in charge. Member states or countries involved are responsible for decision-making in this type of organization.

And the last one is multinational corporations. Such organizations have businesses in different parts of the planet, and their work involve different industries. Apple is a multinational corporation, they sell different types of electronics globally, additionally they create a design of a good and manufacture it.

Considering the main features of Apple multinational company. They have a wide management systems as a result of their worldwide operations, management structures suitable for this type of organizations are matrix and geographical. Multinational companies have managers at the regional or country level who are accountable to higher-ups in the corporate hierarchy. When it comes to making decisions, there is a mix of centralization and decentralization. Centralization where significant choices are made by top-level executives, and decentralization, which empowers local management to make market-specific decisions.

To conclude, in this chapter we reviewed peculiarities of management structures in different types of organization. In our study, we explored five different types of organizations: for-profit, non-profit, governmental, international and multinational. We

took a closer look at the unique features of each organizational structure, and provided examples for better understanding. Additionally, we considered comparison of hierarchy and adaptive organizational structure and consider comparison of conditions for the effective use of hierarchical and adaptive organizational structures. With the completion of this chapter, we have gathered valuable information that will be beneficial in future chapters.

## CHAPTER 2. STUDY OF MANAGEMENT Structure OF Business Media Network

### 2.1. Key elements of management process of Business Media Network

In the first part of the second chapter let us consider the main characteristics of business activity of Business Media Network. We will start by introducing parts of Business Media Network and finish with identification of the key elements of strategic management process of Business Media Network.



Fig.2.1 The core products of Business Media Network.

Source – made by the author based on [23].

Firstly, let's indicate the main spheres where financial and economic activity of the Business Media Network occurs, the organization has four parts of the company City Showcase, Deal flow, Business Marketplace, and Mayors' Club, they are illustrated in the fig. 2.1. Let us consider all the aspects gradually and comprehend what financial and economic activity is generated by each of them.

We will start with City Showcase. This part of organization gathers municipality of each city in Ukraine, sites represent local businesses, projects, and invents.

The key selling points of the City Showcase are: Site traffic, Specific local market targeting, Low cost, No contracts.

The inventory available to the costumers are: Banner, Site, Footer, Links: low-cost, organic growth, systematic google search ranking improvement.

Another part of Business Media Network is Deal Flow. It is a wide publication platform that is shared globally with the help of various channels, the platform promotes



8 industries and cities that have 10 businesses, projects and events on the average. The industries that Deal Flow covers are Tech, Smart Cities, BioEconomy, Mergers and Acquisitions, New Projects, Industrial and Logistics Parks, Hospitality and Tourism and Agro. The Business Media Network board of directors consider the Deal Flow significant part of organization, they say: "DealFlow is one of the most important details of our project - it is our face, and how we are seen by national and international partners. In our opinion, it is DealFlow that should build a large and stable audience for active business and cooperation". The Deal Flow department publishes on the platform weekly issues such as: "CEO of the week", "Company of the week", "Project of the week", and "Start-up of the week". The selection publications are under certain criteria, responsible departments chose the most suitable candidate for each issue of the week.

The key selling points of the Deal Flow are: International Distribution, municipalities, companies, projects, events, and startups, low costs, no contracts.

The inventory available to the clients: CEO of the week, Business of the week, Project of the week, 8 industries and even more cities.

Let us consider the Market Place. This part of business consists of catalogues of most Ukrainian organizations and projects, the digital network of small, medium and big businesses from cities and villages of Ukraine. The Market Place will allow the communication between suppliers and buyers, additionally the information of each site proposes the novel projects for the improvement and development of presented cities and villages. One of the significant aspects of the Market Place activity is a full transparency, all the businesses presented on the Market Place passed the inspection the site showcases only businesses that can be trusted, therefore participants can feel safe. The Market Place has a special system that allows communication (internal and external) between businesses from Ukraine and other countries. Such feature will enable participants on the platform to share good and services and more importantly establish good communication with possible suppliers or clients.

Key selling points of the Market Place: the battery of trust: a reputation rating system, company showcase, access to international companies, national distribution

network/channels for domestic or international companies, access to BMN and other members of marketplace services.

The inventory available to the clients: premium listings, exclusive service provider (specific municipality/industry/region), network-wide promotion.

And lastly, let us consider the Mayors Club. This organization was established to deal with challenges faced by local authorities, businesses and etc. The Mayors Club promotes the democratic society, helps establish a transparent governance of territories of Ukraine. The part of BMN nurture relationship between business owners and public authorities to establish an effective communication, the Mayors Club supports small and medium size businesses in Ukraine, promotes international cooperation, relationship and partnership within organizations to deal with challenges.

The key selling points of Mayors club are: access to every mayor of Ukraine, municipal infrastructure, government distribution channels for services and projects, mayor's showroom, sister city program.

The inventory available to the participants: corporate partnership education, online and offline event.

After considering main spheres of the Business Media Network occurs, let's dive deep into services and products Business Media Network provides to its clients. The advertisement and selling of goods and services is a significant part of economic and financial activity of the Business Media Network. The company has a diverse variety of products and services to clients, for instance:

1. The generation and production of websites, sites with catalogs, landing pages and business card sites for corporations and independent clients.
2. The reorganization of information on existing website or entire redesign.
3. The creation of inclusive site, for instance, BMN has created a site suitable for visually impaired people.
4. The organization provides a technical support for businesses.
5. The translation of sites, one of the services of the organization is to accurately translate site to Ukrainian, English, and Russian.

6. The organization can provide audit of strategies used for advertisement.
7. The creation of unique logo or redesign of existing.
8. The effective setting of target, the advertisements of US sites and novel sites.
9. The advertising of content through googles adwords and banner advertising.
10. The support of social network and generation of content.
11. The advertisement of organization on the companies' social resources.

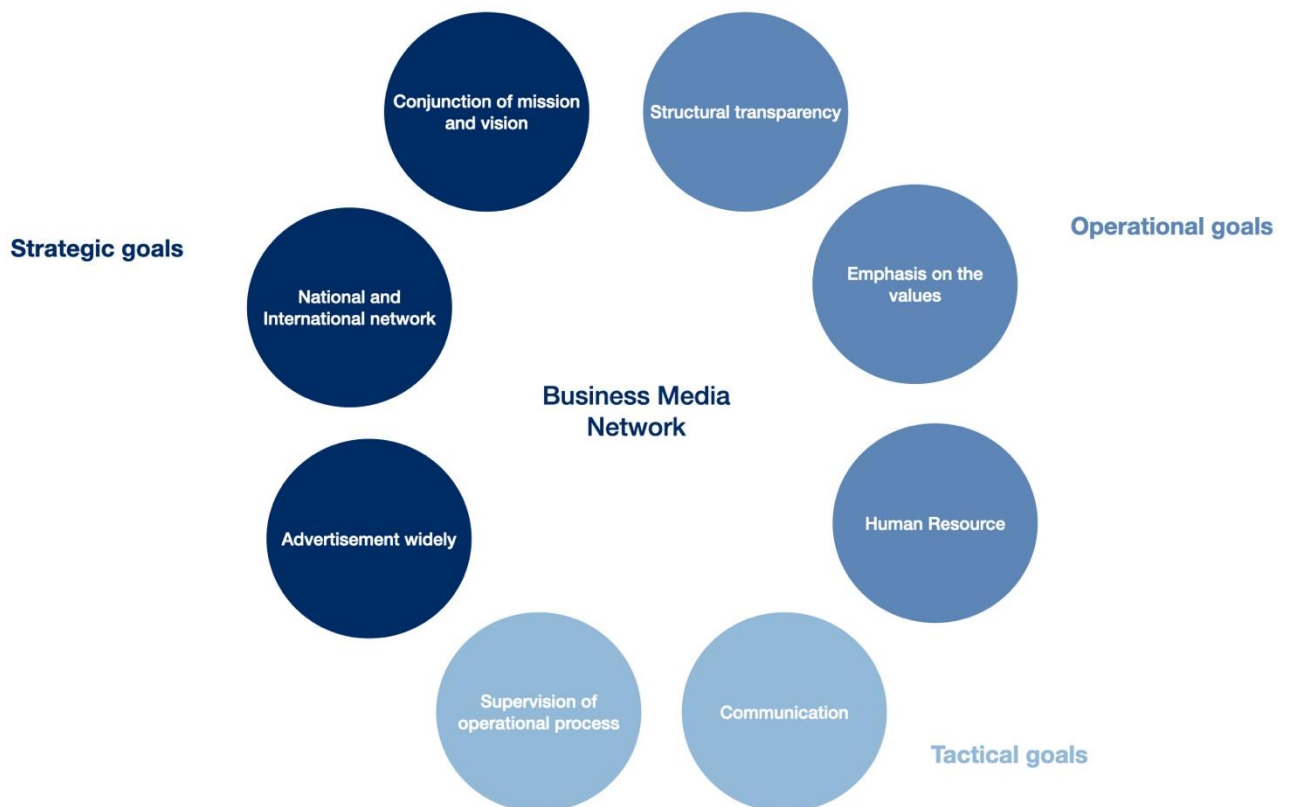


Fig. 2.2 Strategic, operational and tactical goals of Business Media Network.

Source – made by the author based on [23].

And lastly, let us consider the strategic, operational and tactical goals of organization (fig.2.2). Let us begin with strategic goals:

Firstly, is conjunction of organizational mission and vision. This goal is connected to ensuring that the processes and work that organization conducts daily is perfectly aligned with companies' mission, vision and values.

Secondly, is national, and international network. This goal is mainly to establish, strengthen and nurture existing connections organization has, and additionally to generate new one.

Thirdly, is advertisement widely. This goal is to better represent Ukrainian entrepreneurs and their businesses, the achievement of the goal will bring about significant changes and will highlight the Ukrainian production globally.

Moving on to the operational goals of Business Media Network.

Firstly, is maintenance of structural transparency. Business Media Network values the transparency in the workplace, therefore the organization will continue to be trusted and will attract even more clients.

Secondly, is emphasis organizational values. Business Media Network should nurture the organizational culture, promote values to the employees and encourage the work ethics, innovation, trust and etc.

And lastly, is a tactical goal of Business Media Network:

Firstly, is HR. The goal of Business Media Network is to increase employee's engagement, the improvement of brand image of organization, the creation of tactical plans in order to attract unique employees with a huge talent and background.

Secondly, is coverage and communication. Business Media Network aims to improve the quality communication and reporting from the workplace, therefor video conferences, office communication and adjustable work schedule will be implemented into organizational life.

Thirdly, is supervision of operational process. The goal of Business Media Network is to make sure that whole organization and its operational aspect works smoothly, oversee potential problems, and quickly deal with issues that occurred.

Let us consider the managerial effectiveness index of Business Media Network, it is presented in the table 2.1.

Table 2.1 Managerial effectiveness index of Business Media Network 2019-2023.

| Team                             | 2019-2020     |                    | 2021-2022     |                    | 2023          |                    | Average score growth rate % |             |      |
|----------------------------------|---------------|--------------------|---------------|--------------------|---------------|--------------------|-----------------------------|-------------|------|
|                                  | Average score | Percentage "Agree" | Average score | Percentage "Agree" | Average score | Percentage "Agree" | 2019 - 2020                 | 2021 - 2022 | 2023 |
| <b>IT department BMN</b>         | 3.43          | 68%                | 3.46          | 69%                | 3.45          | 69%                | 0.78                        | 0.45        | 1.63 |
| <b>Corporate function</b>        | 3.38          | 67%                | 3.41          | 68%                | 3.41          | 68%                | 0.89                        | 0.21        | 2.95 |
| <b>Commercial function</b>       | 3.46          | 69%                | 3.50          | 71%                | 3.46          | 69%                | 1.45                        | 1.43        | 1.45 |
| <b>Customer service function</b> | 3.51          | 69%                | 3.52          | 71%                | 3.61          | 73%                | 0.22                        | 2.86        | 0.55 |

Source - made by the author by the company data.

After considering the managerial effectiveness index of Business Media Network, let us define the employee development and engagement indexes of enterprise, it is presented in the table 2.2.

Table 2.2 Employee development and engagement index of Business Media Network.

| Indicator                                   | 2019          |                    | 2020          |                    | 2021          |                    | 2022          |                    | 2023          |                    |
|---|---------------|--------------------|---------------|--------------------|---------------|--------------------|---------------|--------------------|---------------|--------------------|
|   | Average score | Percentage “Agree” | Average score | Percentage “Agree” | Average score | Percentage “Agree” | Average score | Percentage “Agree” | Average score | Percentage “Agree” |
| Number of answers                           | 326           |                    | 315           |                    | 308           |                    | 318           |                    | 320           |                    |
| Employee development and engagement indexes | 4.02          | 84%                | 3.21          | 67%                | 3.15          | 69%                | 2.97          | 75%                | 3.25          | 72%                |

Source - made by the author by the company data.

Furtherly, it is significant define the gender and qualification distribution of employees in organization Business Media Network, it is presented in the table 2.3.

Table 2.3 Gender and qualification distribution of employees of Business Media Network in 2023.

| Indicator   | Total Number | From the total number, people |       | From the total number, % |      |       |
|---|--------------|-------------------------------|-------|--------------------------|------|-------|
|   |              | Men                           | Women | Total                    | Men  | Women |
| <b>Average number of employees, total</b>                         | 350          | 245                           | 105   | 100                      | 70%  | 30%   |
| <b>Number of employees who graduated from higher institutions</b> |              |                               |       |                          |      |       |
| <b>Third and Fourth level accreditation</b>                       | 135          | 90                            | 45    | 38.5                     | 25.6 | 12.8  |
| <b>First and Second level accreditation</b>                       | 125          | 66                            | 59    | 35.7                     | 18.8 | 16.8  |
| <b>General institutions</b>                                       | 90           | 89                            | 1     | 25.7                     | 25.4 | 0.28  |

Source - made by the author by the company data.

Furtherly, let us consider the development program of the Business Media Network, we will start with reviewing the financial results (table 2.4), the below data concentrates on the value organization will receive from implementation of strategies, we will analyze financial results and make a forecast.

Table 2.4 Dynamics of financial results of Business Media Network for 2019-2023

| Indicators                        | Years       |             |             |             |             | Analysis                             |
|-----------------------------------|-------------|-------------|-------------|-------------|-------------|--------------------------------------|
|                                   | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> | <b>Rate of Growth, % (2023/2019)</b> |
| Net income from sales of products | 454022,0    | 721586,0    | 720883,0    | 704382,0    | 773147,0    | 170,3                                |

|   |               |               |               |               |               |       |
|---|---------------|---------------|---------------|---------------|---------------|-------|
| (goods, works, services)                    |               |               |               |               |               |       |
| Cost of goods sold (goods, works, services) | -<br>239701,0 | -<br>349471,0 | -<br>558326,0 | -<br>568800,0 | -<br>662015,0 | 276,2 |
| Gross profit                                | 214321,0      | 372115,0      | 162557,0      | 135582,0      | 111132,0      | 51,9  |
| Economic efficiency, %                      | 47,2          | 51,6          | 22,5          | 19,2          | 14,4          | 30,5  |

\* *Source: calculated on the basis of annexes B.*

After thoroughly analysing the financial results of Business Media Network during years 2019-2023 we can state that following table illustrates a concerning trend regarding stability of the enterprise.

We can see that during five year time the net income grow only bt 319.000UAH which compared to cost prices indicate a slow growth and results in a negative values. Furtherly we notice a sharp decline in the spheres of personnel funding and administrative costs which influence negatively on the forecast. Additionally, the net financial results depict a rapid reduction form 203,504 UAH in 2020 to 31,116 UAH in 2022.

To finalize, the following information indicates enterprise's financial condition have a negative aspect. In the table 2.3 we will evaluate the solvency ratios and performance metrics in order to analyze enterprise fully.

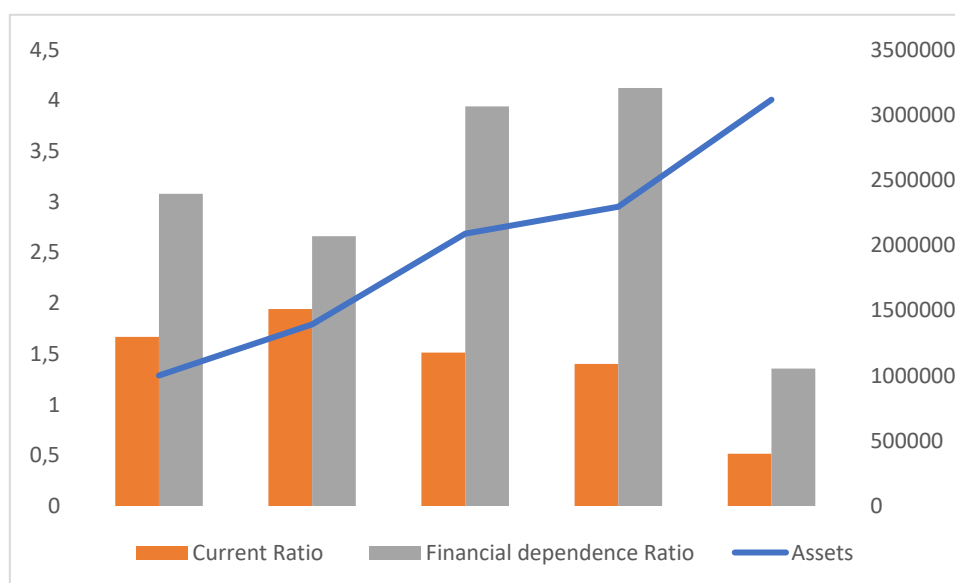




Fig 2.3 Solvency ratios of Business Media Network for 2019-2023.

*\* Source: calculated on the basis of Annexes A.*

After analyzing the following data we can make the following suggestions. Firstly, as of 2023 we can see that the organization lacks sufficient funds to cover its debts, expenditures in case of unpredicted consequences based on cash ratio. The ideal range for cash ratio would be 0.2-0.25 which is not our case.

Secondly, we can predict that due to post pandemic situation the current ratio is below its optimal level now, the standard ranch between assets and liabilities is 1-3, in current years indicator stands 0.5151 we believe that it suggests the concerning state of organization solvency.

Third indicator we would like to review is Coefficient of own working capital it illustrates the decline in values during presented period, it has reached its lowest point at -3.16 during 2019, we can understand that it shows the dependence on external creditors.

Furtherly, let us consider the Equity to Debt Ratio it illustrates the reliance of organization on borrowed funds, before 2022 we can see a noticeable increase however with 2023 we see the massive decrease, we can predict that it means that organization doesn't utilize its resources fully. Overall, we can see that organization is mostly in negative state currently, it is dependent on the external creditors and incapable of utilizing its opportunities fully.

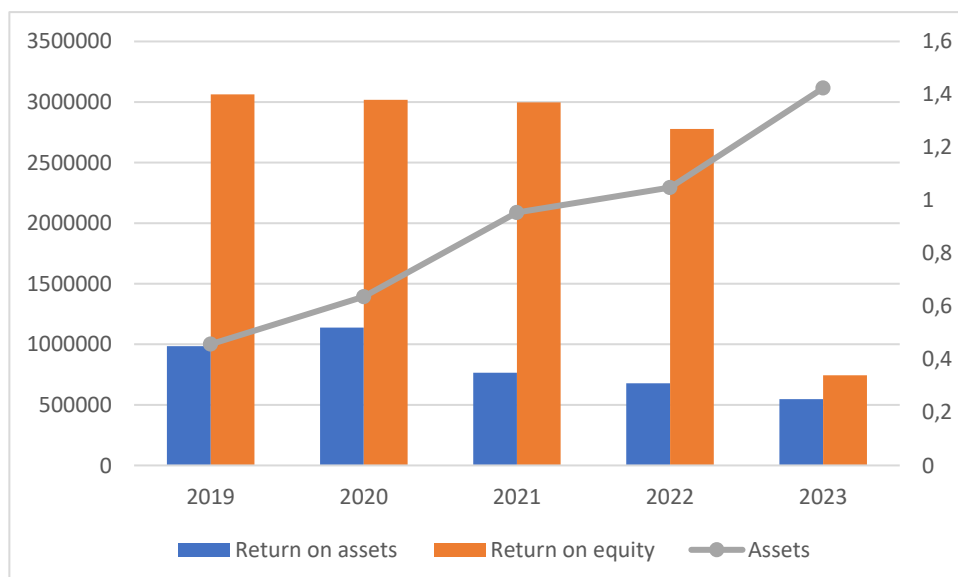


Fig 2.4 Analysis of profitability ratios of Business Media Network on the basis of assets for 2019-2023.

*\* Source: calculated on the basis of Annexes A and B.*

After analyzing the profitability ratios of Business Media Network (fig.2.4) we can suggest that organization is making profit, the increasing product profitability values indicate the positive dynamics, however we can see the 0.2 % decrease in the growth dynamics. In the table the product profitability ratio is responsible for the crucial aspect of organizational operations, it assesses the portion of costs in sales. The product profitability ratio indicator demonstrated a positive dynamics when in 2019 it increase by 31% with comparison to other years, we consider the Business Media Network as a large enterprise therefore 31% significantly influence on activity of the profits.

Nevertheless, we have a decline in the indicator return on assets, we can suggests that such results indicate that organization doesn't manage investment effectively. Furtherly, let us consider analysis of business activity indicators of Business Media Network on the bases of assets 2019-2023 (table 2.5).

Table 2.5 Analysis of business activity indicators of Business Media Network on the basis of assets of 2019-2023

| Indicators                | Year  |      |      |      |       | Absolute deviation |             |           |            |
|---------------------------|-------|------|------|------|-------|--------------------|-------------|-----------|------------|
|                           | 2019  | 2020 | 2021 | 2022 | 2023  | 2019 / 2020        | 2020 / 2021 | 2021/2022 | 2022/ 2023 |
| 1.                        | 2.    |      |      |      |       | 3.                 |             |           |            |
| Asset turnover ratio      | 0,46  | 0,52 | 0,83 | 0,68 | 24,82 | 0,05               | 0,31        | -0,15     | 24,14      |
| Turnover of receivables   | -0,23 | 0,58 | 0,52 | 0,17 | 0,69  | 0,81               | -0,06       | -0,35     | 0,52       |
| Accounts payable turnover | 0,35  | 0,40 | 0,36 | 0,33 | 0,81  | 0,05               | -0,04       | -0,03     | 0,48       |

Continuation of table 2.2

| 1.   | 2.    |       |       |       |       | 3.     |       |       |         |
|--|-------|-------|-------|-------|-------|--------|-------|-------|---------|
| Maturity of receivables, days                  | 177,9 | 176,2 | 188,2 | 220,9 | 21,04 | -1,74  | 11,99 | 32,73 | -199,87 |
| Maturity of accounts payable, days             | 332,4 | 291,8 | 343   | 356,4 | 237,3 | -40,62 | 51,21 | 13,41 | -119,12 |
| Inventory turnover ratio                       | 0,46  | 0,52  | 0,83  | 0,68  | 24,8  | 0,05   | 0,31  | -0,15 | 24,14   |
| Fixed assets turnover ratio (return on assets) | 4,79  | 8,27  | 8,54  | 7,03  | 0,28  | 3,48   | 0,27  | -1,51 | -6,75   |
| Equity turnover ratio                          | 1,40  | 1,38  | 1,37  | 1,27  | 0,34  | -0,02  | -0,01 | -0,10 | -0,93   |

\* Source: calculated on the basis of Annexes A and B.

After analyzing the business activity of Business Media Network during 2019-2023, we can suggest the following, it is noticeable that there has been a trend in turnover of receivables and accounts payable, we can observe an overall decrease in average terms for both indicators. The organization takes longer time to use funds given from the creditors compared to allowing the organizational debtors to do this. The following case indicates that organization is effectively manage the account receivables and payables. Overall, we can say that indicators of the property status of the enterprise reflect the value of assets that are on the balance sheet of the enterprise.

To finish off, in this chapter we considered key elements of management process Business Media Network. Primarily, we identified each sphere where organization has financial and economic activity, this departments are: City Showcase, Deal Flow, Market Place and Mayors Club, additionally, we considered services and products Business Media Network provides to its clients, and lastly, we considered the strategic, operational and tactical goals of organization the following information is essential for better comprehension of organizational work.

## 2.2. Analysis of organization structure of Business Media Network

In this part of the chapter, we will review organizational structure of Business Media Network. As it was mentioned earlier, the organization has four main spheres of work: City Showcase, Deal flow, Business Marketplace, and Mayors' Club. Each of these parts of the company has its own departments and structure. Let's review them all step by step. Firstly, let us consider Business Media Network, is an organizational with hierarchical structure. The hierarchical structure of an organization has position at the top that holds highest authority and subsequent levels have less responsibilities and power. In the Business Media Network the highest authority is held by the CEO and board of directors. The subsequent divisions of Business Media Network similarly have their own hierarchy with responsible people. Let us consider the organizational scheme of Business Media Network (fig.2.5).

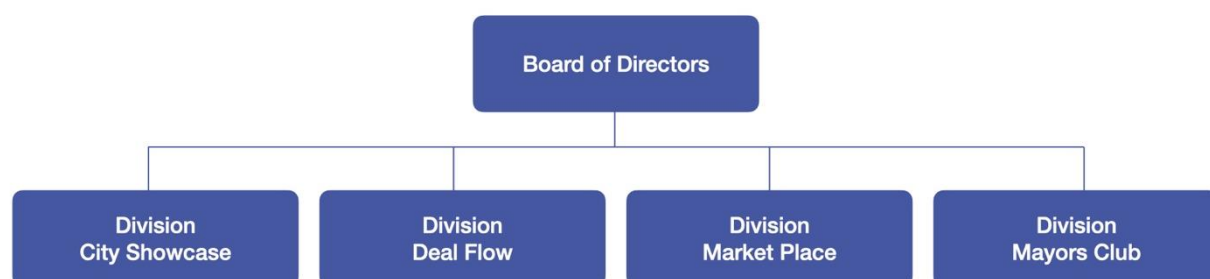


Fig.2.5 The hierarchical organizational structure of Business Media Network.

Source – made by the author based on [23].

The Board of Directors in Business Media Network are four individuals who are responsible for overall decision making process in organization.

Henry Sternenberg - Chairman and President

Alex Shaner - Managing Director and Chief Executive Officer

Yulia Chufistova - Chief Operating Officer

Oleg Kozhanov - Chief Technologist

After Board of Directors comes four divisions, each of division has a special features and characteristics that we will review gradually. Let's consider the first division City Showcase. The City Showcase (fig.2.6) has a structure that resembles hierarchical order of the Business Media Network, however, has its own peculiarities.

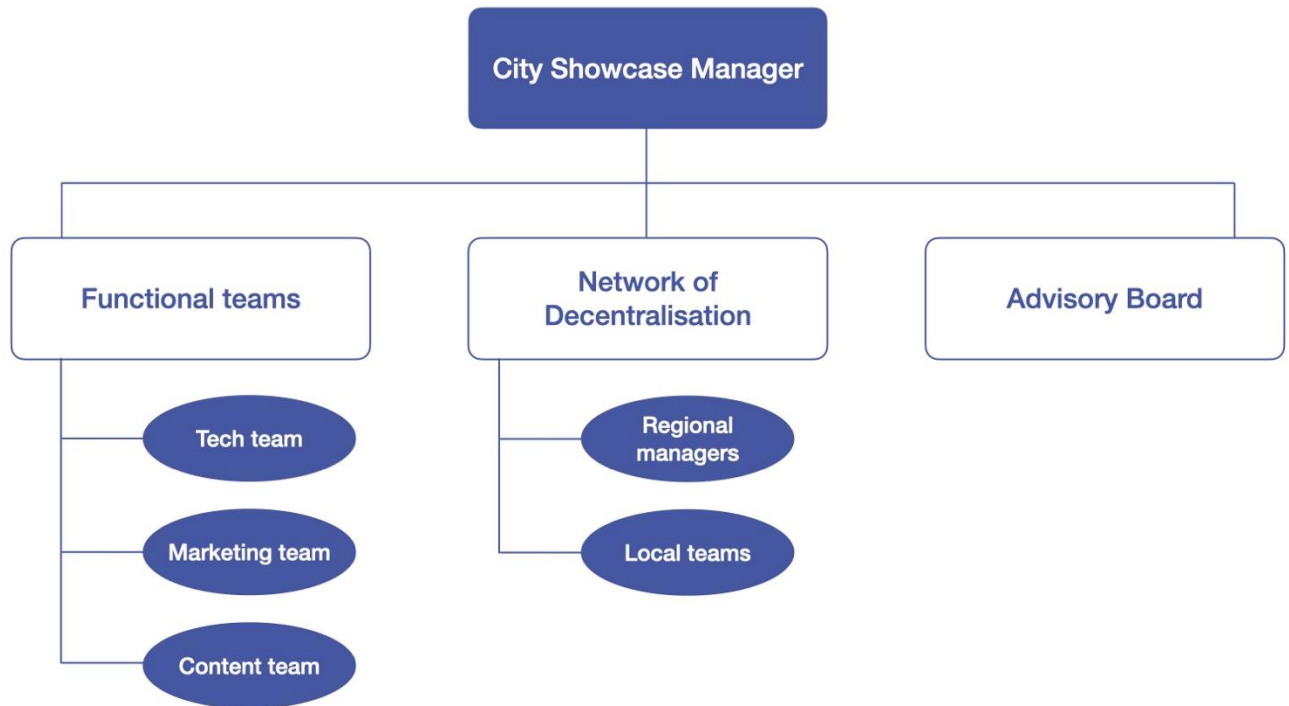


Fig.2.6 The organizational structure of City Showcase, Business Media Network.

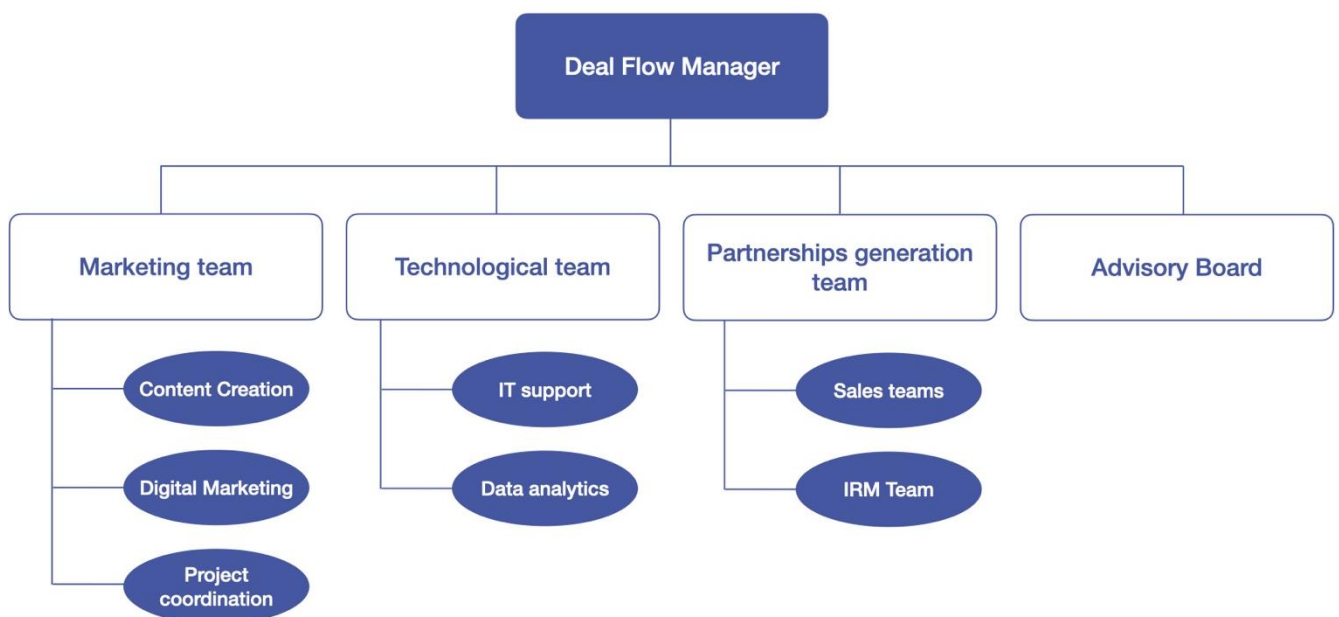
Source – made by the author based on [23].

At the top of the City Showcase structure is manager who oversees all the work related to this division. Below manager are Functional Teams, Network of Decentralization and Advisory Board.

- The Functional teams consist of: Tech team that is responsible for creation of sites for each municipality. Marketing team that is responsible for branding, ad creation, promotion, and overall representation of entire network. Content team the group of people who are responsible for the inside of each municipality site, they assure that information is UpToDate.

- Another significant aspect of City Showcase organizational structure is Network of Decentralization, it consists of: Regional managers, people who are responsible for each municipality, they oversee all the details of each municipality. Local teams that reorganize, update and add new information to each municipality site.
- And lastly, City Showcase has an Advisory Board, the group of individuals from different parts of organization who share new ideas, insights and updates that can be implemented into City Showcase.

Let us review the structure of the next division of organization Deal Flow (fig.2.7).



Fir.2.7 The organizational structure of Deal Flow, Business Media Network.

Source – made by the author based on [25].

At the top of Deal Flow structure is a manager who is responsible for overall performance of the structure, he sets a vision, mission, goals for teams. Below Deal Flow Manager is Marketing Team, Technological team, Partnerships generation team and Advisory Board.

- The Marketing team consists of: Content creation team, group of individuals who are responsible for creation of the content, they generate a strategy, ensure the consistency and quality of weekly publications additionally they generate content connected to the themes and journalists that responsible for gathering of useful

information and conduct of the interviews. Digital Marketing team handles social media channels and designs the strategies for promotion that can be used globally. Project coordination team are responsible for overseeing companies work, they manage the flow of task, the deadlines, they manage each category of the publications.

- Technological team consists of: IT support team, they in charge of a platform functioning, the implementation of new features that will improve users experience. Data analytics team that review all the statistics concerning the work of organization and tracking of the engagement of site visitors, they predict the feature hardships and how to handle them.
- Partnership generation team consist of: Sales teams people who are in charge of selling the services and products company has and engagement with costumers new and already existing, they ensure the great impression. IRM team the group of people who are responsible for managing the relationship with international clients, generate a new partnerships and ensure the prosperity of international bond.
- And the last division is Advisory Board, the group of individuals from different parts of organization who share new ideas, insights and updates that can be implemented into Deal Flow.

Let's consider the next organizational scheme the Market Place (fig.2.8).



Fig.2.8 The organizational structure of Market Place, Business Media Network.

Source – made by the author based on [24].

The Market Place structure starts from the manager person who is responsible for the performance of an entity, well-organized work in whole organization, the mission, vision and etc. Below the Market Place Manager are teams that support the work of whole organization. The Market Place has a hierarchical structure like the Business Media Network and other businesses connected to it. In the Market Place are four teams: Organization team, Communication team, Marketing and Promotion team, Accounting and finance team, let us consider all of them:

- Organization team consists of: Market Place operation team, they are in control of the work of site, the availability of all the features and convenient usage. Technological team responsible for the developing of improved version of the site, implementation of new features and novel ideas to the interface.
- Communication team consist of: Internal and external team, their worked is concerned around building a strong and effective communication, ensure the effective collaboration between internal users from Ukraine and external users around the world. City coordinators teams are accountable for the introduction of newcomers to the platform and further assistance.
- Marketing and promotion team is a huge part of organization with the aim to promote Market Place globally, with the help of different channel internal and external, the organization effectively enters different markets and is attractive to potential clients and users of the platform.
- Accounting and finance another reasonable part of the Market place, the professionals who work in this division oversee a budget and other financial tasks that directly affect the well-being of the Market Place.

Moving on to the last division of the Business Media Network it is Mayor's Club (fig.2.9).



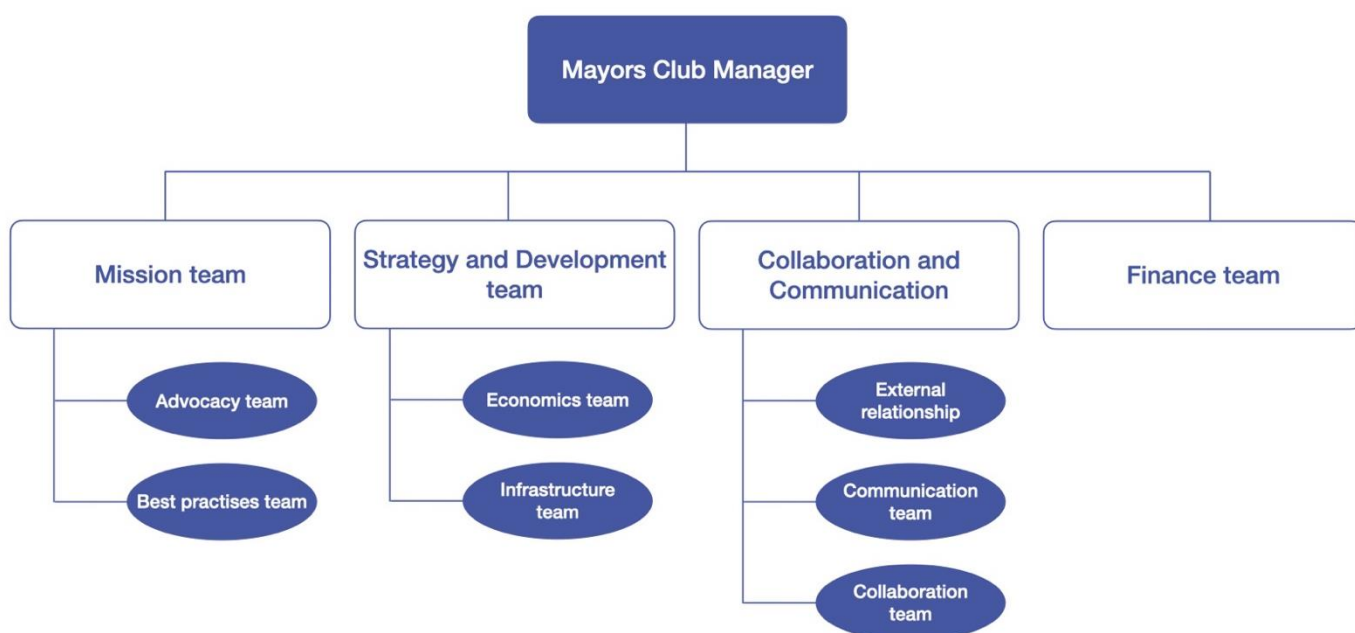


Fig.2.9 The organizational structure of Mayors Club, Business Media Network.

Source – made by the author based on [24].

At the beginning of the organizational structure of Mayors Club is manager who is responsible for company's leadership, the setting of the strategy and all the work connector to the effective management of organization. Below manager are four divisions: Mission team, Strategy and Development team, Collaboration and Communication team and Financial team, let us consider all of them gradually:

- Mission team consist of: Advocacy team a group of people who are concentrated on the Ukrainian law and its implementation into organizational day-to-day decisions, they advocate the reforms and address legal challenges that occur on the way. Best practice team is a combination of the democratic development of the country, the promotion and implementation of principles that are indicated by the European legislation system and the promotion of usage of this practices in Ukrainian economical activity.
- Strategy and Development team consists of: Economics teams they are responsible for economic development of organization, the investigation of new opportunities for companies growth. Infrastructure team their main focuses is on the development

of the infrastructure of Ukrainian cities by implementation of a new ideas and the assistance.

- Collaboration and communication consist of: External relationship this team are responsible to find, build and nurture relationship with a external organizations and people that will be useful for Mayors club. Communication team they are responsible for overall communication in an organization, they share important information regarding the work of Mayors Club, build external and internal relationship. Collaboration team they promote collaboration among different communities, organizations and their leaders.
- Finance team is another significant aspect of Mayors Club structure, the employees in this division are focused on the work of administration, the budget and opportunities for growth. They contribute improvements to overall financial aspect of organization.

Furtherly, let us consider Human Resource department and its work. Currently, function of human resources planning is becoming important, it helps develop training plans and productive work with personnel. Let us consider the human resource planning aspect, it includes the five stages:

1. identification of staffing needs
2. personnel search
3. planning of engagement (participation) of personnel
4. planning of personnel development
5. planning of personnel dismissal

The initial stage of staff planning is the identification of needs of personnel, which is affected by the economic condition of an enterprise. It is necessary to take into account labor market conditions, in order to ensure effective satisfaction of needs of an organization in skilled workers. It is advisable to conduct market research in order to determine current and future needs of personnel, taking into characteristics of employees. Planning of staffing needs in the company is done on three levels: strategic (3 years perspective), tactical (review of strategic plans per year), and operational (every month).

The qualitative need for personnel is determined by categories, professions, specialization, level of qualification, and individual requirements, established for every position. New job openings usually happen due to two reasons: reorganizations and staff turnover. The reason for that is the nature of the business of the company, since it is very specific and has a limited variety of activities to be performed. On this stage it is advisable to carry out a qualitative and quantitative assessment of the staff of Business Media Network.

The efficiency is determined by the qualities employees have because it directly influence not only the quality of service of the customers, but also the quality of management decisions and the results of their implementation. Labor potential of the company is characterized by a system of indicators: qualification composition of personnel, their turnover and stability, rate of personnel variability.

To conclude, in this part of the second chapter we reviewed main characteristics of organizational structure of Business Media Network, at the beginning we considered Business Media Network structure with its hierarchical order and furtherly reviewed the City Showcase, Deal flow, Business Marketplace, and Mayors' Club, each one of them have a special characteristics and the way systems are organized, this aspects directly contribute to a great performance of organization.

### **2.3. Investigation of the management process of Business Media Network**

In this part of the second chapter, we will investigate the management process of Business Media Network. Currently lots of companies struggle with organization of management processes, let's consider the management process of Business Media Network and determine whether it works well for company or not.

The management process of Business Media Network is a sequence of actions that organization takes on daily basis, for instance, leading, organizing, planning and controlling. The main function of process of management is to determine goals, make a plan towards achievement and subsequent action. In order, to identify the management

process Business Media Network has we will review their SWOT analysis and SWOT-matrix the will provide more information for in-depth investigation.

Let us start from SWOT analysis, it is presented in the table 2.6.

Table 2.6 SWOT-analysis of organization Business Media Network.

|  |   |
|--|---|
| <p>Strengths:</p> <p>Novelty of the business.</p> <p>Ambitious team.</p> <p>Impressive pace of progress.</p>   | <p>Weaknesses:</p> <p>Constrained financial resources.</p> <p>Lack of trust.</p> <p>Organizational process.</p> |
| <p>Opportunities:</p> <p>Integration of novel technology.</p> <p>Influential startup in Ukraine.</p> <p>Contribute towards development of Ukraine.</p> | <p>Threads:</p> <p>Decline in clients.</p> <p>Increased competition.</p> <p>Higher levels of expenses.</p>      |

Source – made by the author based on [23].

Strengths of Business Media Network are:

- Novelty and uniqueness of product and service.
- The team of professional and employees who are genuinely interested in the organization work and its success.
- The significant advancements company implements each day.

Weaknesses of Business Media Network:

- The Business Media Network is start-up therefore it has constrained financial resources.

- Since Business Media Network is a startup and not a lot of people are aware of it yet, it has lack of trust and absence of confidence in it.
- Business Media Network is a huge organization with wide organizational structure and a lot divisions therefore it has a issues with organizational processes.

#### Opportunities of Business Media Network:

- At the time when organization is going through startup phase it is quite easy to change it and form it, the integration of novel technology into business processes will enhance the uniqueness and trendiness of organization.
- Since Business Media Network growth and improves each day, opens new divisions and recruits even more specialists it has an opportunity to become one of the biggest and influential start up in the field of its work.
- Business Media Network might effect positively not only the work of the company but Ukraine as well, with implementation of UpToDate technologies it will influence the development of Ukraine and make it one step closer towards being developed in technological aspect.

#### Threats of Business Media Network:

- Business Media Network might experience the decline in client base if their products and services will be less inclusive and actual for today's society.
- Business Media Network might experience increasing competition since more and more startups enter the field in which BMN work, of course Business Media Network was the first however sometimes newcomers might outdo it.
- Business Media Network effectively achieves goals and improves daily, however it doesn't prevent organization from meeting increased expenses.

After determining the strengths, weaknesses, opportunities, and threads of Business Media Network let us consider the SWOT-matrix of organization (table 2.7). SWOT-matrix same as SWOT analysis technique that assists strategic planning of the organization, however more deeply, it has combined elements such as Strengths and

Opportunities, Weaknesses and Opportunities, Strengths and Threads, Weaknesses and Threads.

Table 2.7 SWOT-matrix of organization Business Media Network.

|  |  |   |
|--|--|---|
|  | <p>Strengths:</p> <p>Novelty of the business.</p> <p>Ambitious team</p> <p>Impressive pace of progress.</p>  | <p>Weaknesses:</p> <p>Constrained financial resources.</p> <p>Lack of trust.</p> <p>Organizational process.</p>   |
| <p>Opportunities:</p> <p>Integration of novel technology.</p> <p>Influential startup in Ukraine.</p> <p>Contribute towards development of Ukraine.</p> | <p>Strengths and Opportunities:</p> <p>Business Media Network is a novel and unique business with a great goals and ideas that might change the world, the ambitious team willing to improve organization will implement new technologies. The impressive pace of organizational evolution will make a Business Media Network influential startup which eventually lead Ukraine towards its development.</p> | <p>Weaknesses and Opportunities:</p> <p>With the implementation of new technologies, work towards improvement of Ukraine and becoming one of the most influential startups, Business Media Network might face the constrained financial recourse which might be due to implementation of new technologies, therefore it is highly important to evaluate everything, additionally with the expansion of the organization the lack of</p> |

|  |   |   |
|--|---|---|
|  |   | trust from clients will decrease, more and more people will understand how the organization work in long run, and as a time goes by the organizational process will be more defined due to increased experience.  |
| <p>Threads:</p> <p>Decline in clients.</p> <p>Increased competition.</p> <p>Higher levels of expenses.</p> | <p>Strengths and Threads:</p> <p>Business Media Network has a novel business which will be useful with increased levels of competition, ambitious and motivated team will assist organization during the time of decline of clients, and definitely will come up with actions towards elimination of this issue, same with higher levels of expenses. Additionally, impressive pace of organization will only lead towards improvement and achievement of more in-depth experience.</p> | <p>Weaknesses and Threads:</p> <p>Lack of trust will lead Business Media Network towards the decline of clients, therefore organization should work on the ways how to improve the relationship with client, furtherly higher levels of expenses will lead to constrained financial resources, the organization should evaluate each step it takes and work on the aspect of distribution of money within organization, and lastly well-defined organizational process will</p> |

|  |  |  |
|--|--|--|
|  |  | be useful during the harsh times of increased competition which organization might face sooner or later. |
|--|--|--|

Source – made by the author based on [23].

After defining all the aspects of SWOT-matrix, it is crucial to sum up, we investigated on the process of management in organization Business Media Network and here is the conclusion: If the organization concentrates on leveraging its strengths like the ambitious team, the unique ideas they have and their ability to develop rapidly and add to them their opportunities, it will definitely achieve all the goals, however it is highly significant to consider and address weaknesses the organization already has in order to prevent the potential threads like decline in clients, increased level of expenses and competition. Nevertheless, if organization will pay more attention to its analysis of managerial processes and reflect on the work of organization it will attain prosperity.

And lastly, let us consider the organizational management scheme implemented by the Business Media Network, it is presented in the fig 2.10.



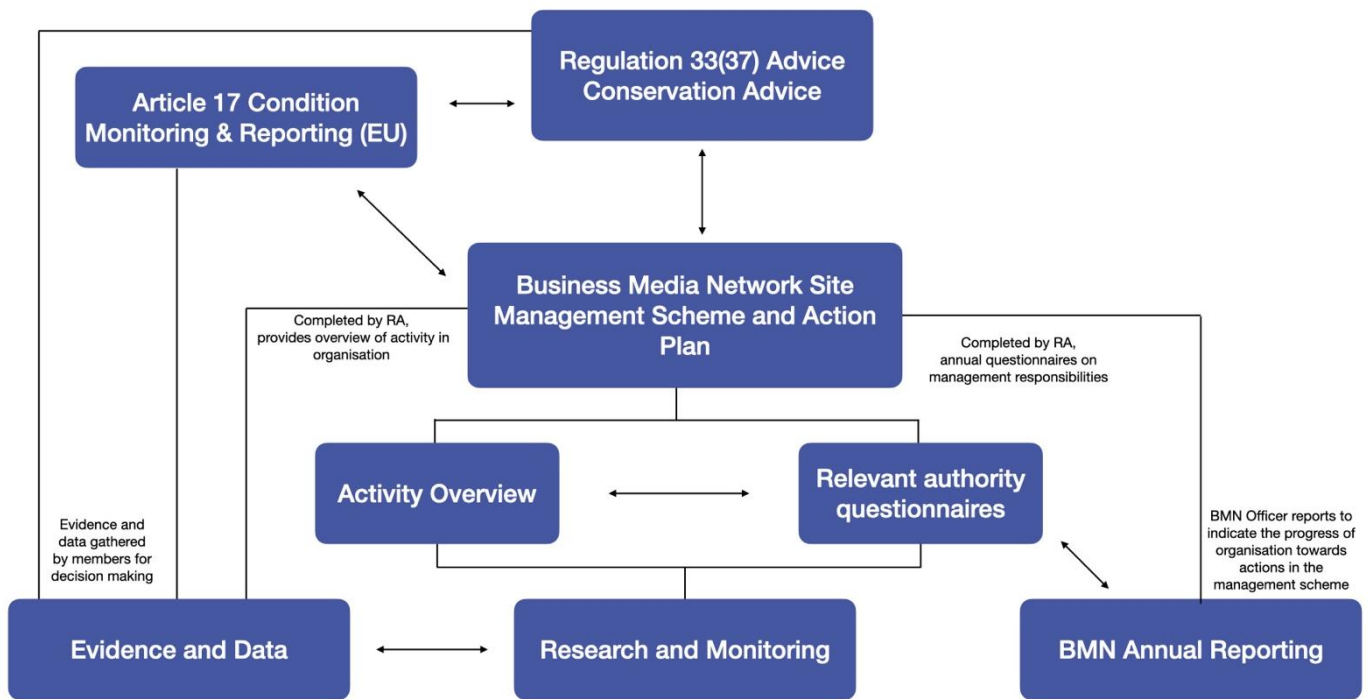


Fig 2.10 The Management Scheme Process of Business Media Network.

Source – made by the author based on [27].

To conclude, in this part of the second chapter we reviewed and investigated the management process of Business Media Network, firstly we considered the SWOT-analysis and determined strengths, weaknesses, opportunities and threads of the organization, additionally, we dived deep into the SWOT-matrix of Business Media Network and considered such combination as Strengths and Opportunities, Weaknesses and Opportunities, Strengths and Threads, Weaknesses and Threads, we formed the statement that sum-ups overall management process of organization and lastly we considered the management scheme process of Business Media Network.

## CHAPTER 3. WAYS OF IMPROVEMENT OF MANAGEMENT STRUCTURE OF BUSINESS MEDIA NETWORK

### 3.1. Necessity of improvement of organizational management structure of Business Media Network

In this part of the third chapter we will conduct an analysis of the innovative activity of Business Media Network. The analysis will be around four main aspects that make organization innovative (fig.3.1), they are: connected business platforms, flexibility within operations inside organization, collaborative emphasize and their strategic goals, let us consider each of them gradually.

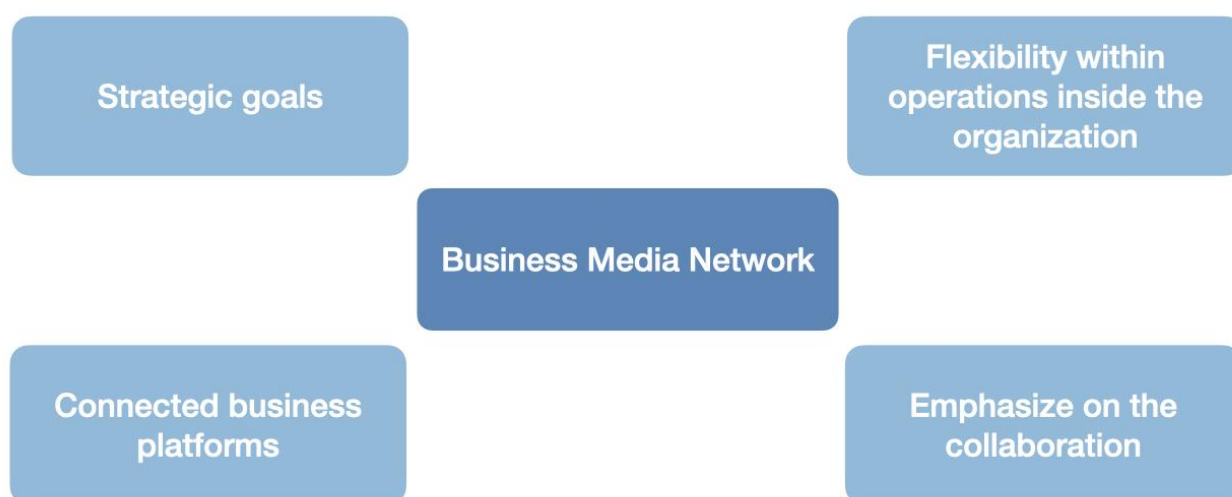


Fig 3.1 Innovative aspects of Business Media Network work.

Source – made by the author based on [23].

The first one is connected business platforms, as we already know, Business Media Network consist of several businesses that work in different aspects towards similar goals. Therefore, the first innovative activity that will be considered is interconnected platforms, Business Media Network has Marketplace, Deal flow, City showcase and Mayors club they together form a great aligns that work towards better working conditions for small and medium size Ukrainian businesses, assist them in improving their business operations and gaining valuable connections. Additionally, to comfortable structure of organization

Marketplace introduced a battery of trust, which is essential element of companies website. It helps asses levels of responsibility, trustworthiness of the presented businesses and eventually leads to easier, safer way of communication and collaboration.

The second one is flexibility within operations inside the organization, Business Media Network and its platforms had built a great organizational structure, that facilitate organization with high-speed of its work, the matrix structures used foster a dynamic system in which is easy to work with various tasks. Additionally, the well-organized leadership of organization plays a crucial role in managing tasks and fostering communication.

The third one is emphasize on the collaboration, Business Media Network has a platform Mayors Club that builds a n effective communication with mayors and local executives within regions of Ukraine, such collaborative initiative makes whole organization committed toward global collaboration.

Moving on to the fourth aspect that nurture innovation of Business Media Network are strategic goals. Organization works toward the promotion of Ukrainian businesses globally such act promotes the economic growth and overall well-being of Ukrainian market. Moreover, organization is always interested in providing its clients with better solutions, therefore their mission to unit business, community and government of Ukraine is corresponds strongly with it.

Let us consider the stages of innovative activity that will enhance organizational management process, they are presented in the table 3.1.

Table 3.1 Stages of innovative activity management enhancement, Business Media Network Company.

| №                    | The names of the stages   |
|----------------------|---|
| Stage 1. PREPARATION |   |
| 1.1                  | Recognition of the need for changes by the management of the organization |

|   |   |
|---|---|
| 1.2   | Carrying out a comprehensive diagnosis of the organization's problems with the involvement of in-house and third-party specialists.   |
| 1.3   | Making a final decision on the need to implement changes in the organization and determining the level of necessary changes   |
| 1.4   | Creating a change management team   |
| 1.5   | Determining the goals of future changes and developing alternative options for their implementation   |
| 1.6   | Choosing the best variant (program) of changes and making a final decision regarding its design   |
| 1.7   | Informing employees about planned transformations   |
| Stage 2. IMPLEMENTATION                             |   |
| 2.1   | Development of a detailed project (plan) of changes   |
| 2.2   | Preparation for implementation: familiarization of the team with the developed the project of changes, justification and search for resources for the implementation of this project; development of project implementation schedules and employee training |
| 2.3   | The beginning of implementation of the change project into the activities of the organization: "pilot changes, identifying the main problems and difficulties associated with the practical implementation of transformations                               |
| 2.4   | Full-scale implementation of planned changes, taking into account the elimination of problems identified at the stage of "piloting changes"   |
| Stage 3. EVALUATION AND CONFIRMATION OF RESOLUTIONS |   |
| 3.1   | Evaluation of the results of implemented changes from the point of view of economic efficiency and social consequences  |

|     |  |
|-----|--|
| 3.2 | Consolidation of previous achievements through further adaptation to changes in the external environment and clarification of the organization's vision, mission, and strategic orientations |
|-----|--|

Source – made by the author based on [32].

After considering the stages of innovative activity management enhancement, let us review the examples of forces that promote changes and enhancement of innovative activity, they are presented in the table 3.2.

Table 3.2 Examples of forces that promote change and enhancement of innovative activity, Business Media Network.

| <b>Forces promoting change</b>  | <b>Resistance forces</b>   |
|---|--|
| Corporate culture that supports innovation  | A system of remuneration, oriented on the process, not on the result                           |
| Participative (supportive, mentoring) management style  | Ineffective change strategy communication system   |
| The presence of employees in the team who have already participated in similar successful change projects | The structure of the company, which does not promote the development of horizontal connections |
| A strong leader capable of leading a change project   | An informal leader who is most likely to take the position of "chief adversary"                |
| There is a clear vision of the result of the changes and the ways to achieve them                         | Loss of security   |
| Understanding the need for change   | Traditions and customs   |

|  |   |
|--|---|
| Demand for faster service from customers/suppliers (external and internal) | Fear of making a mistake  |
| Low labor productivity   | Permanent stamps and patterns of behavior at work   |
| Availability of unfulfilled orders   | Established "close" relationships with existing suppliers   |
| The need to reduce prices  | Decreased productivity during retraining  |
| High level of competition, active offensive actions of competitors         | "Reluctance to let things go" as part of corporate culture  |
| Incompatibility of various control subsystems                              | Threats to the status of an informal leader or the majority of employees who will be involved in the change |
| Direct instructions and support from the administration                    |   |

Source – made by the author based on [32].

After considering the examples of forces that promote changes and enhancement of innovative activity, let us recognize the structure of financing in innovative activities by sources (table 3.3).

Table 3.3 The structure of financing of innovative activities by sources, Business Media Network.

| Group           | Type | Organizational structure of sources in the group      |
|-----------------|------|---|
| State resources | own  | National budget<br>regional, local, district budgets; |

|  |              |  |
|--|--------------|--|
|  |              | the State Fund for Fundamental Research; state innovation company, off-budget funds (pension fund, social insurance fund, state employment fund, other funds); tax benefits for innovative organizations                                   |
|  | are involved | state credit system; state insurance system  |
|  | loans        | state loans (state loans, foreign loans, international loans, etc.); tax innovation credit   |
| Resources of enterprises (business entities) | own          | own investment resources of enterprises, production development funds  |
|  | are involved | contributions, donations, sale of shares, additional issue of shares; investment resources of resident investment companies, including mutual investment funds; investment resources of resident insurance companies; investment resources |
|  | Loans        | bank, commercial loans; budget targeted loans; venture capital funds; investment resources of foreign investors, including commercial banks, international financial institution   |

Source – made by the author based on [33].

After detailed analysis of the work of Business Media Network organization, we can say that it implements a wide range of tools and strategies to deal with the challenges while operating with employees. The performance indicator of HR will be the OPD model, it presented below in the fig 3.2.

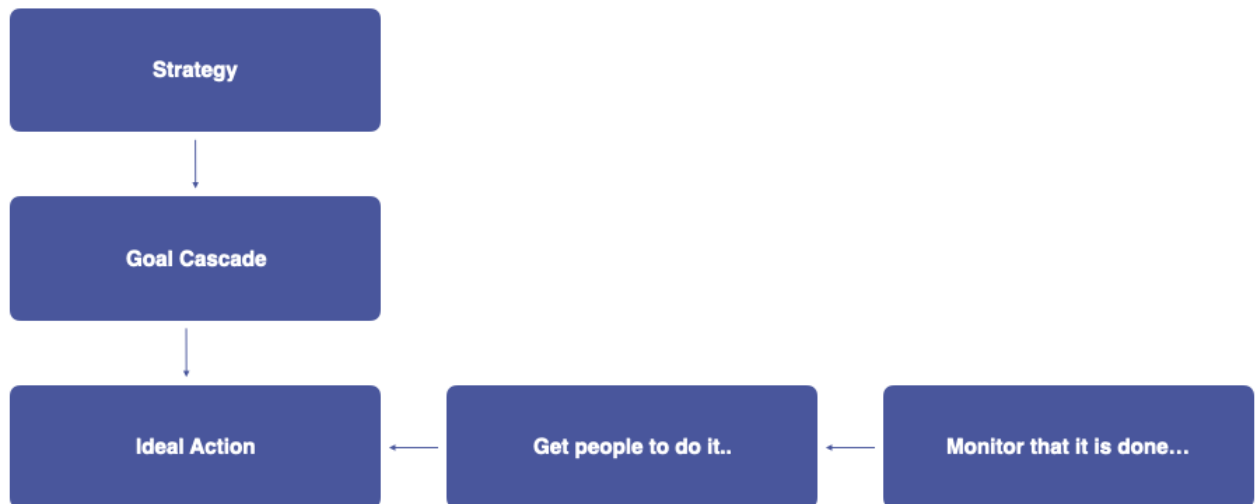


Fig 3.2 The OPD model of Business Media Network work.

Source – made by the author based on [37].

The main elements of OPD model help to ensure such aspects:

1. The focus of employees, whether they are clearly understand their goals.
2. The accuracy of work, if employees clearly understand the actions to achieve goals.
3. The commitment of individuals, whether they are willing to accomplish tasks.
4. The support of leader of the team, if they receive enough support and guidance from them.
5. The structure of business process, how employees feel regarding the structure of business process and if it supports them.

Let us furtherly consider the links between the OPD model of Business Media Network and the structure of psychological targets and how it helps to define it (fig.3.3).



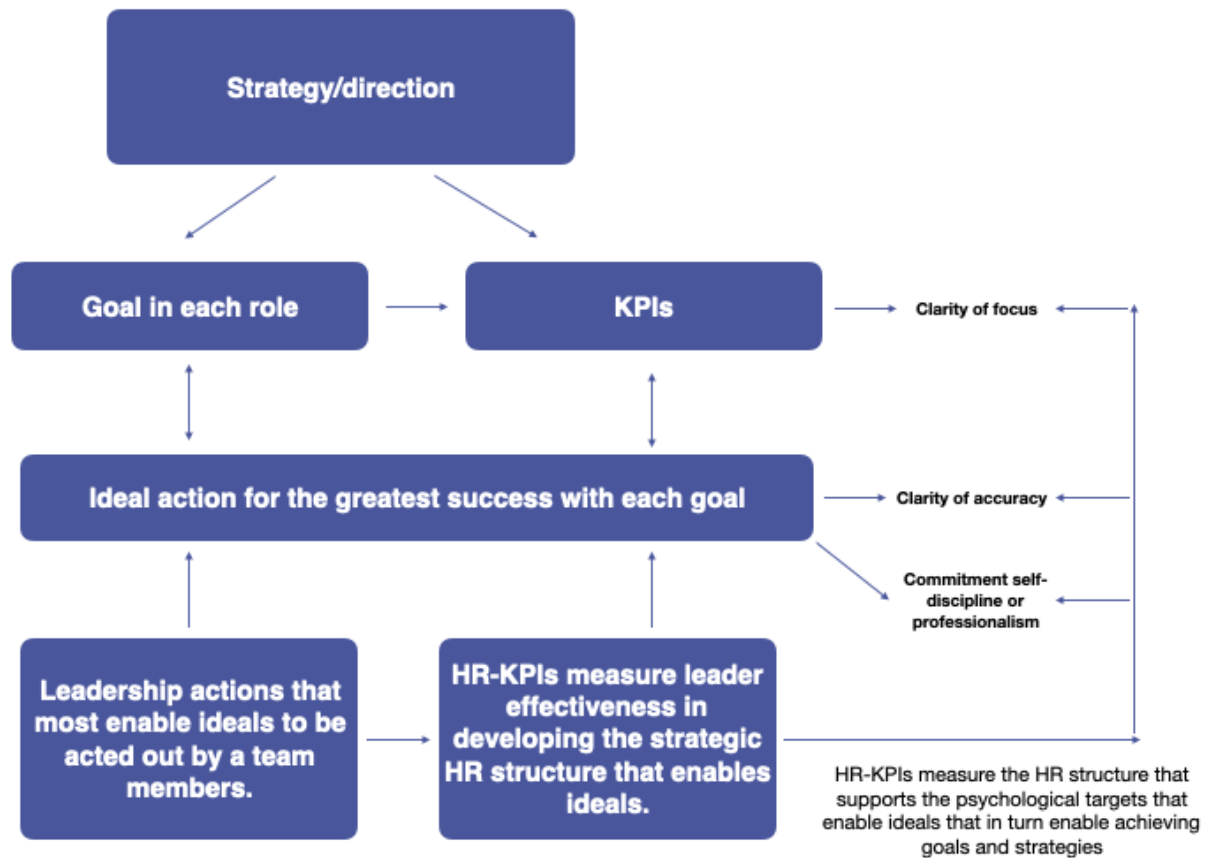


Fig 3.3 The structure of psychological targets of Business Media Network work.

Source – made by the author based on [37].

The OPD model of Business Media Network clearly illustrates the connection between feeling/behaviors of employees and ultimate goals of organization. In this model employees trust a team leaders and agree to perform the following action, at the same time leaders make sure that the team clearly understands the actions expected from their work.

To finish off, Business Media Network innovative approaches are mainly concentrated on the four aspects business platforms, flexible business operation, collaboration and goals, this elements position Business Media Network as progressive organization, furtherly we reviewed stages of innovative activity management enhancement Business Media Network Company, Examples of forces that promote change and enhancement of innovative activity.

### 3.2. Recommendations for effective delegation of authority in the organization

In this part of the third chapter we will consider recommendations of how organizations can effectively delegate authority. There are six primary ways how that might assist organization in this situation, they are presented in fig.3.4, let us review each of them.



Fig 3.4 Improvement of delegation system of Business Media Network.

Source – made by the author based on [28].

Firstly, investigate and comprehend how your team work. On this step it is essential to evaluate the Advantages and Disadvantages of each employee. The effective delegation might only happen after the thorough consideration of each person's ability, the assessment of strengths and consideration of ways to improvement is essential. The experience gained will help to assign responsibilities to individual who have all the qualities needed for solving specific task, this ultimately enhances the successful performance of work.

Secondly, define expectations clearly, in order to succeed in delegation it is important to state exactly what you expect. When employee communicates the task that will be delegated make sure that you specify what you expect in return, the clear communication will enhance chances of successful accomplishment of task.

Thirdly, provide employee with all the needed resources. Employees should have an access to information they need, tools and authority for deciding by themselves, additionally your opinion and possible help should be present during the time of delegation and complement of tasks, the upsends of following resources and elements might lead to a failure even if employee is highly professional.

Fourthly, determine specific task employee is good at. It is important to match the employee with task that he likes and capable of accomplishing. Additionally not only skills and needs should be considered, but the work aspirations that might help employee to grow, if it is what he desires. The delegation of work tasks specifies by what employee wants to improve and grow in directly influences the development of employees skills and expertise.

Fifthly, nurture the employees ability to communicate transparently. It is essential to cultivate work environment where team feels ease to communicate with each other, ask for help and all the questions that concern them. The open discussion helps to find solution fast and easy, additionally feedback plays a huge role in employees work, therefore employer or whoever delegates task should be able to give constructive feedback that will support and foster development of employees, also it is essential to acknowledge their work and motivate for even better results.

And the last one is, stop micromanagement, the delegation will succeed only if you trust your employees, give them freedom to work on their tasks, the micromanagement only decrease levels of confidence and creativity in employees. The continuum of delegation is presented in the fig.3.5.

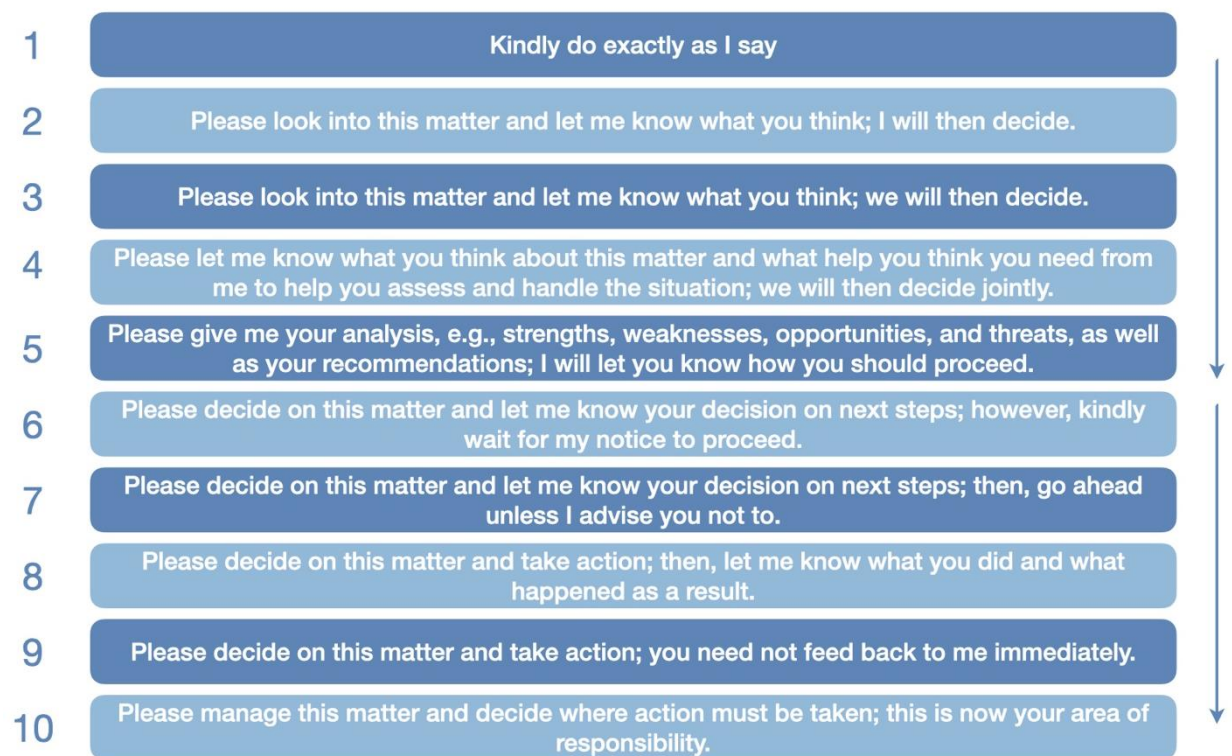


Fig 3.5 Depicts a continuum of delegation in organization, Business Media Network.

Source – made by the author based on [31].

Let us consider the predictors and consequences of delegation in an organization (fig.3.6).

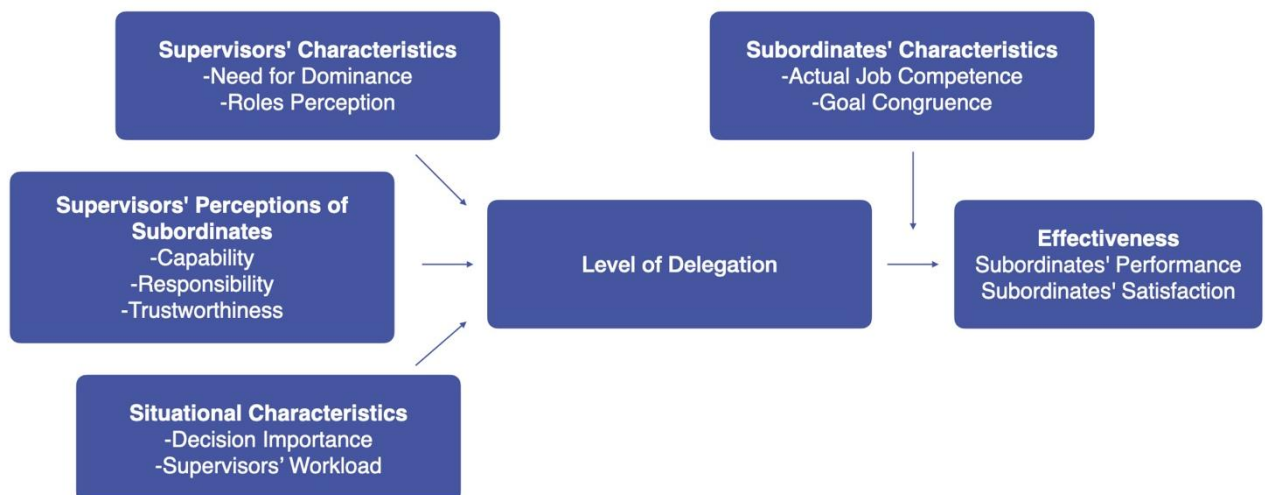


Fig 3.6 Illustrates predictors and consequences of delegation in an organization, Business Media Network.

Source – made by the author based on [30].

After reviewing the predictors and consequences of delegation in an organization, let's comprehend the matrix of effective delegation (table 3.4).

Table 3.4 Time management matrix for effective delegation, Business Media Network.

|               | Urgent  | Not urgent   |
|---------------|---|--|
| Important     | Crisis<br>Important, urgent reports<br>Important meeting<br>Some meetings | Preparation<br>Planning<br>Building relationships<br>Crisis prevention |
| Not important | Break<br>Leisure planning<br>Some mail                                    | Mail is not important<br>Phone calls                                   |

Source – made by the author based on [34].

After considering the time management matrix for effective delegation, let's review the cases intended for the process of delegation in organization and not (table 3.5).

Table 3.5 Cases Intended for delegation and not, Business Media Network.

| WE DO NOT DELEGATE  | WE DELEGATE  |
|---|--|
| Planning the main project<br>Selecting a team for the project | Routine<br>When a person can perform a task no worse for you |

|                                 |   |
|---------------------------------|---|
| Monitoring the work of the team | When you lack qualifications,           |
| Motivating team members         | knowledge or                            |
| Assessing team members          | experience                              |
| Rewarding team members          | When the task contributes to the growth |
| Personally entrusted tasks      | of subordinates                         |

Source – made by the author based on [34].

After considering cases Intended for delegation and not, let's review the factors that influence badly process of delegation (table 3.6).

Table 3.6 Factors that have a bad effect on delegation, Business Media Network.

| Factor   | Clarification   |
|--|---|
| 1. Managers themselves create obstacles to delegation when they, taking one or more positions, show their ignorance: | want to have power and do not want to give even a part of power to subordinates; see delegation as a sign of weakness, indicating that they cannot cope with their work;<br>fear that a subordinate who works well will "stand out against their background"; feel that the only way to do something right is to do it by yourself;<br>do not want to spend time training a subordinate instead of completing a task. |
| 1. Subordinates can become an obstacle to delegation when they:  | are not sure of their ability to accept additional duties;<br>afraid of failure;<br>consider additional duty as emergency work without additional remuneration;   |

|   |  |
|---|--|
|   | have insufficient information or resources necessary to perform the work;<br>believe that it is easier to ask their manager than to try to solve the problem themselves. |
| 2. The indicators of the organization or its culture can - block effective delegation when: | the organization is small or has too few activities to delegate;<br>there is no tradition of delegation in the organization.   |

Source – made by the author based on [35].

To finish off, in this subparagraph we reviewed six aspect that will be helpful during the process of delegation, to them we can divide: investigate and comprehend how your team work, define expectations clearly, provide employee with all the needed resources, each employee has its own specific task he is good at, nurture the employees ability to communicate transparently, stop micromanagement. Furtherly, we considered time management matrix for effective delegation, cases Intended for delegation and not and factors that have a bad effect on delegation. The understanding of following ways are essential for better comprehension of further material.

### **3.3 Analysis of the effectiveness of the proposed improvements**

In this subchapter we will review the effectiveness of proposed improvement for work of Business Media Network, firstly, let us consider improvements and potential analysis of its effectiveness. They are presented in the fig, 3.7, let us review them step by step.

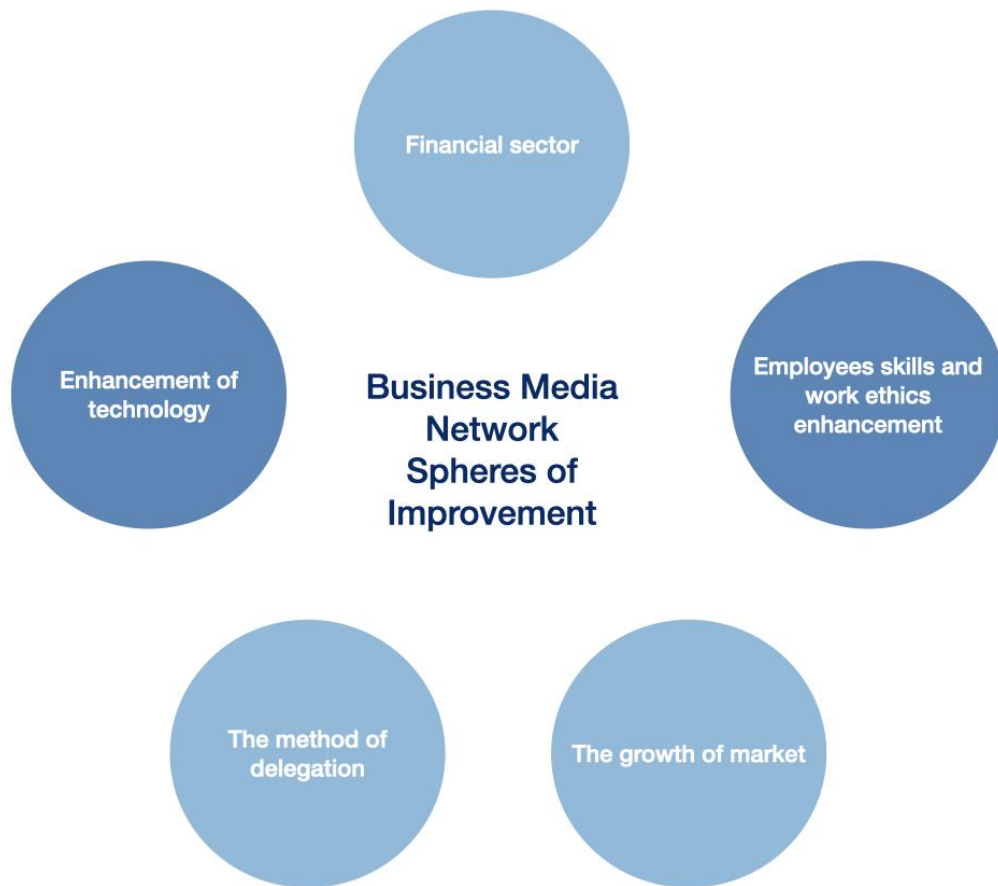


Fig 3.7 Spheres for improvement in the organization Business Media Network  
Source – made by the author based on [23].

1. Financial sector, goal is to achieve a stability and higher levels of profitability, the proposed improvement is to concentrate on organizing a clear rout that will lead to financial stability, consider different project (sources of revenue) and investigate on new endeavors.

Potential effectiveness of following improvement might show up like a stronger sustainability approach and better interest in the firm from investors, nevertheless good planning and organization of work should be considered primarily.

2. Employees skills and work ethics enhancement, goal is to achieve better levels of service, the proposed improvement is to elevate abilities of employees and improve



their integration with organizational mission, vision and values.

Potential effectiveness of following improvement might influence the increase in creativity and efficiency, the investment into human resource can potentially improve companies performance and increase profits.

3. The growth of market, goal is to improve quality and wide the market in which organization works, the proposed improvement is primarily to investigate possibilities how Marketplace, Deal Flow and City showcase can be extended to rich global market places.

Potential effectiveness of following improvement might lead to achievement of wider customer line and organize additional business prospects, but firstly market analysis should be conducted.

4. The method of delegation, goal is to integrate methods of delegation into organization, the proposed improvement is mainly to help employees grow and organization to achieve new goals.

Potential effectiveness of the following improvement might lead organization to new step of their developmental process, Improve communication and work within organization, will help employees to take on responsibilities and better understand sphere they work in.

5. Enhancement of technology, goals is to implement more novel technologies into organization, the proposed improvement is primarily to investigate a rapid technological progress that will be useful in improving work of the platforms.

Potential effectiveness of the following improvement might improve the competitiveness of Business Media Network, nevertheless remember to make sure that novel technologies are convenient clients and users friendly. Furtherly let us consider indicators of assessment of international efficiency of enterprise management of Business Media Network (table 3.7).

Table 3.7 Indicators of assessment of the internal efficiency of enterprise management, Business Media Network.

| Component evaluations | Evaluation indicators |
|-----------------------|-----------------------|
|-----------------------|-----------------------|

|                                       |   |   |
|---------------------------------------|---|---|
| Rating efficiency managing subsystems | Assessment of the effectiveness of management personnel         | <ul style="list-style-type: none"> <li>- ratio of quantitative and qualitative staffing of management personnel</li> <li>- the specific weight of management personnel who have more than 5 years of work experience at the enterprise and in the industry</li> <li>- coefficient of stability of management personnel</li> <li>- turnover rate of management personnel</li> <li>- replacement rate of management personnel</li> <li>- the coefficient of the ratio of the rates of growth of the volume of sales and the rates of growth of the wage fund of management personnel</li> <li>- coefficient of compliance of the average monthly salary of management personnel with the level of real salary</li> <li>- profitability of management costs</li> </ul> |
|                                       | Assessment of organizational effectiveness management structure | <ul style="list-style-type: none"> <li>- coefficients of compliance with the norms of control of control units</li> <li>- the ratio of the rate of increase in the volume of implementation and the rate of growth of structural centralization</li> <li>- the coefficient of the ratio of the rate of growth of the volume of implementation and the rate of growth of the centralization of management</li> <li>- coefficients of the ratio of the rate of increase in the volume of implementation</li> </ul>  |

|  |   |  |
|--|---|--|
|  |   | and the rate of growth of the formalization of the personnel of the apparatus management and structural units  |
|  | Performance evaluation<br>organizational cultures | <ul style="list-style-type: none"> <li>-the level of organization of personnel management units</li> <li>-the level of labor discipline</li> <li>-level of satisfaction with working conditions</li> <li>-level of social and psychological climate in the team</li> <li>-the level of satisfaction with the norms of employee behaviour</li> <li>-adopted at the enterprise</li> <li>-level of safety and labor protection</li> <li>-level of conditions of social development and social protection</li> </ul> |
|  | Rating efficiency<br>management technologies      | <ul style="list-style-type: none"> <li>- efficiency ratio of working with documents and other sources of information</li> <li>- information utilization ratio</li> <li>- coefficient of coverage of automation control functions</li> <li>- coefficient of growth of technical equipment of managerial work</li> <li>- the profitability of the use of capital means of administrative purpose</li> <li>-specific weight of progressive types of office equipment and computers in their total cost</li> </ul>   |

|  |   |  |
|--|---|--|
| Evaluation of the efficiency of the controlled subsystem | Evaluation of efficiency - management operating room activity | <ul style="list-style-type: none"> <li>-rate of return on fixed assets</li> <li>- rate of renewal of fixed assets</li> <li>- coefficients of physical and moral wear and tear of fixed assets</li> <li>- specific weight of fixed assets with limited ownership</li> <li>- material yield coefficient</li> <li>- profitability of material costs</li> <li>- coefficient of utilization of production capacities</li> <li>- coefficient of compliance with environmental standards of operational activity</li> <li>- the specific weight of costs for the correction of defects in the total amount of operating costs</li> <li>- profitability of operating expenses</li> </ul> |
|  | Performance evaluation management staff                       | <ul style="list-style-type: none"> <li>- coefficients of quantitative and qualitative staffing of the company's staff</li> <li>the coefficient of stability of the company's personnel</li> <li>-staff turnover rate of the enterprise</li> <li>- staff replacement ratio of the enterprise</li> <li>-coefficient of correspondence of the average monthly salary of the company's personnel to the level of the real salary</li> </ul>  |
|  | Performance evaluation  | <ul style="list-style-type: none"> <li>-the coefficient of the company's products on the national market</li> <li>-coefficient of elasticity of demand for products</li> </ul>   |

|  |  |   |
|--|--|---|
|  |  | <ul style="list-style-type: none"> <li>-coefficient of change in the volume of product sales</li> <li>-profitability of sales</li> <li>-the coefficient of the ratio of the growth rate of the volume of sales and the growth rate of the cost of goods sold</li> <li>-turnover ratio of finished products and goods</li> <li>-the rate of return on costs in marketing activities</li> </ul>   |
|  | Performance evaluation<br>management<br>investment activity      | <ul style="list-style-type: none"> <li>-coefficient of the real property</li> <li>-ratio of provision of non-current assets with own capital</li> <li>-coefficient of provision of own working capital</li> <li>-coefficient of manoeuvrability</li> <li>-return on investment in non-current assets</li> <li>-return on investment in current assets</li> <li>-specific weight of own funds in the total amount of real investment</li> <li>-profitability of financial investments</li> <li>-specific weight of own funds in financial investment</li> <li>-profitability of capital invested in the enterprise</li> <li>-interest payment ratio</li> </ul> |
|  | Evaluation of effectiveness<br>management<br>innovative activity | <ul style="list-style-type: none"> <li>-the rate of growth of the amount of research costs, management innovative activity</li> <li>-introduction and creation of new types of products</li> </ul>  |

|  |                                  |  |
|--|----------------------------------|--|
|  |                                  | <ul style="list-style-type: none"> <li>-specific weight of high-tech equipment in the total cost of fixed assets</li> <li>-the growth factor of the sum of expenses for the development of new sales markets</li> <li>-the ratio of the rate of growth of profit from operating activities and the rate of growth of costs for innovations in marketing</li> <li>-growth rate of copyright and related rights</li> <li>-the share of employees and managers who have improved their qualifications</li> <li>-the growth rate of the sum of expenses for recruitment, training and professional development of personnel</li> </ul> |
|  | management<br>financial activity | <ul style="list-style-type: none"> <li>- coefficient of financial independence</li> <li>- coefficient of financial risk</li> <li>- coefficient of supply of circulating assets</li> <li>- coefficient of long-term financial independence</li> <li>- return on equity</li> <li>- liquidity ratios</li> <li>- the ratio of receivables and payables</li> <li>- turnover ratios of receivables and payables</li> <li>- the specific weight of the positive cash flow of operating activities in its total amount</li> <li>- coefficient of liquidity of cash flow of operating activities</li> </ul>                                 |

Source – made by the author based on [36].

To finish off, in the last chapter of third paragraph we reviewed a potential analysis of effective of proposed five improvement and furtherly considered a table that illustrates indicators of assessment of the internal efficiency of enterprise management. this information is essential for overall understanding of the whole Bachelor Qualification Work.

## **Conclusions**

The Bachelor Qualification Work on the topic The essence of organizational management structure and its role in achieving the goal, based on Business Media Network case started with the introduction of the topic the aim, research object and subject.

In the first chapter we reviewed the foundation of organizational management structure and its significance:

1.1. The essence of management structures as a component of the system management of a modern enterprise. In this chapter we considered management structures as a component of the system management of a modern enterprise, the ways how to establish a successful organizational structure, the components are established authority, well-defined job roles and emphasizing growth. Furtherly we reviewed financial and non-financial advantages of employing organizational management structure. The main financial advantages are: profitability management, solvency planning, monitoring of liquidity, increased generation of revenue and prevention of legal risks. The main non-financial advantages are: renewal of human resources, detection of issues, improved decision making, clear comprehension of strategy of competitors and improved level of stability. And lastly, we considered approaches of prominent scientists to organizational structure. Clearly reviewing this part of the work essential for a great comprehension of further information.

1.2. Main approaches to management structures and goal achievement. In this part of the chapter were considered main approaches to management structures and how they achieve goals. Firstly, we reviewed different approaches, such approaches are: centralized and decentralized, hierarchical and circular, vertical, and flat. Secondly, we considered four common types of organizational structure, to them we can divide: functional-based, product-based, geographical, and product-based. Thirdly, we looked at other effective, but less implemented organizational structures, such as: matrix, circular, organic and their achievement of goals. And lastly, we considered how they achieve goals. All the information above is crucial and will be useful for understanding of further topics.



1.3. Peculiarities of management structures in different types of organization in this chapter we reviewed peculiarities of management structures in different types of organization. In our study, we explored five different types of organizations: for-profit, non-profit, governmental, international and multinational. We took a closer look at the unique features of each organizational structure, and provided examples for better understanding. Additionally, we considered comparison of hierarchy and adaptive organizational structure and consider comparison of conditions for the effective use of hierarchical and adaptive organizational structures. With the completion of this chapter, we have gathered valuable information that will be beneficial in future chapters.

In the second chapter we reviewed study of management structure of Business Media Network.

2.1. Key elements of management process of Business Media Network. In this chapter we considered key elements of management process Business Media Network. Primarily, we identified each sphere where organization has financial and economic activity, this departments are: City Showcase, Deal Flow, Market Place and Mayors Club, additionally, we considered services and products Business Media Network provides to its clients, and lastly, we considered the strategic, operational and tactical goals of organization the following information is essential for better comprehension of organizational work and significant financial data.

2.2. Analysis of organization structure of Business Media Network In this part of the second chapter we reviewed main characteristics of organizational structure of Business Media Network, at the beginning we considered Business Media Network structure with its hierarchical order and furtherly reviewed the City Showcase, Deal flow, Business Marketplace, and Mayors' Club, each one of them have a special characteristics and the way systems are organized, this aspects directly contribute to a great performance of organization.

2.3. Investigation of the management process of Business Media Network. In this part of the second chapter we reviewed and investigated the management process of Business Media Network, firstly we considered the SWOT-analysis and determined strengths, weaknesses, opportunities and threads of the organization, additionally, we

dived deep into the SWOT-matrix of Business Media Network and considered such combination as Strengths and Opportunities, Weaknesses and Opportunities, Strengths and Threads, Weaknesses and Threads, we formed the statement that sum-ups overall management process of organization and lastly we considered the management scheme process of Business Media Network.

In the third chapter we considered ways of improvement of management structure of Business Media Network. 3.1. Necessity of improvement of organizational management structure of Business Media Network In this chapter we reviewed Business Media Network innovative approaches are mainly concentrated on the four aspects business platforms, flexible business operation, collaboration and goals, this elements position Business Media Network as progressive organization, furtherly we reviewed stages of innovative activity management enhancement Business Media Network Company, Examples of forces that promote change and enhancement of innovative activity.

3.2. Recommendations for effective delegation of authority in the organization. In this subparagraph we reviewed six aspect that will be helpful during the process of delegation, to them we can divide: investigate and comprehend how your team work, define expectations clearly, provide employee with all the needed resources, each employee has its own specific task he is good at, nurture the employees ability to communicate transparently, stop micromanagement. Furtherly, we considered time management matrix for effective delegation, cases Intended for delegation and not and factors that have a bad effect on delegation.

3.3. Analysis of the effectiveness of the proposed improvements. In the last chapter of third paragraph we reviewed a potential analysis of effective of proposed five improvement and furtherly considered a table that illustrates indicators of assessment of the internal efficiency of enterprise management. this information is essential for overall understanding of the whole Bachelor Qualification Work.

## References:

1. Tiller, S. R. (2012). Organizational structure and management systems. *Leadership and Management in Engineering*, 12(1), 20–23. [https://doi.org/10.1061/\(asce\)lm.1943-5630.0000160](https://doi.org/10.1061/(asce)lm.1943-5630.0000160)
2. *Career Development and Organization Management*. (n.d.). Indeed. <https://www.indeed.com/career-advice/career-development/organization-management>
3. *What Every Leader Needs to Know about Organizational Management*. (n.d.). McKinsey & Company. <https://www.mckinsey.com/capabilities/people-and-organizational-performance/our-insights/what-every-leader-needs-to-know-about-organizational-management>
4. Sharma, A. (2023, April 21). 10 Benefits of Strategic Management with Examples. *Techjockey.com Blog*. <https://www.techjockey.com/blog/benefits-of-strategic-management-with-examples>
5. Organ, C. (2023, July 31). 7 Organizational Structure types (With examples). *Forbes Advisor*. <https://www.forbes.com/advisor/business/organizational-structure/>
6. *7 Types of organizational structures*. (2020, June 2). Lucidchart. <https://www.lucidchart.com/blog/types-of-organizational-structures>
7. *What are the challenges in making business more sustainable?* (2022, May 20). World Economic Forum. <https://www.weforum.org/agenda/2020/09/better-business-sustainability-inclusion-stakeholder-capitalism-sdi2020/>
8. Strategical Alignment. (2023, June 24). Strategic Alignment: Explained with Examples - The Strategy Story. *The Strategy Story - Simplifying Business Strategies*. <https://thestrategystory.com/blog/strategic-alignment-explained-with-examples/>
9. Singer, M. (2019, March 29). *What is a for-profit organization? Definition and examples*. Market Business News. <https://marketbusinessnews.com/financial-glossary/for-profit-organization/>
10. Kenton, W. (2023, March 4). *Nonprofit Organization (NPO): definition and example*. Investopedia. <https://www.investopedia.com/terms/n/non-profitorganization.asp>

11. Mitchell-Green, B. L. (2008). Peace prizes. In *Elsevier eBooks* (pp. 1522–1534).  
<https://doi.org/10.1016/b978-012373985-8.00129-x>
12. Mingst, K. (2023, October 6). *International organization / Definition, History, & Facts*. Encyclopedia Britannica. <https://www.britannica.com/topic/international-organization>
13. Chen, J. (2023, April 25). *Multinational Corporation: Definition, how it works, four types*. Investopedia.  
<https://www.investopedia.com/terms/m/multinationalcorporation.asp>
14. Max. (2023, July 18). Organizational Types: For-Profit and Nonprofit. *Management.Org*. [https://management.org/organizations/types.htm#google\\_vignette](https://management.org/organizations/types.htm#google_vignette)
15. Libretexts. (2021, February 20). *6.4B: Weber's Model for Bureaucracy*. Social Sci LibreTexts.  
[https://socialsci.libretexts.org/Bookshelves/Sociology/Introduction\\_to\\_Sociology/Sociology\\_\(Boundless\)/06%3A\\_Social\\_Groups\\_and\\_Organization/6.04%3A\\_Bureaucracy/6.4B%3A\\_Webers\\_Model\\_for\\_Bureaucracy](https://socialsci.libretexts.org/Bookshelves/Sociology/Introduction_to_Sociology/Sociology_(Boundless)/06%3A_Social_Groups_and_Organization/6.04%3A_Bureaucracy/6.4B%3A_Webers_Model_for_Bureaucracy)
16. Wikipedia contributors. (2023, September 29). *Contingency theory*. Wikipedia.  
[https://en.wikipedia.org/wiki/Contingency\\_theory](https://en.wikipedia.org/wiki/Contingency_theory)
17. Psychology, P. (2023, October 24). *Bureaucratic Theory of Max Weber (Explanation + examples)*. Practical Psychology. <https://practicalpie.com/bureaucratic-theory-of-max-weber/>
18. *MindTools / Home*. (n.d.). <https://www.mindtools.com/apfv1rk/mintzbergs-organizational-configurations>
19. Mathur, D. (2021, December 23). Max Weber's Theory Of Bureaucratic Management. Harappa. <https://harappa.education/harappa-diaries/max-weber-theory-of-bureaucracy-2/>
20. Wikipedia contributors. (2023b, September 29). Contingency theory. Wikipedia.  
[https://en.wikipedia.org/wiki/Contingency\\_theory](https://en.wikipedia.org/wiki/Contingency_theory)
21. Dolgova L.I. Application Of Adaptive Organizational Structures In Modern Entrepreneurship / Effective Economy, No. 3, 2021

22. All-Ukrainian public organization - Club of Mayors. (2023, September 15). Club of Mayors. <http://mayorsclub.org/>
23. Business Media Network (n.d.) <http://bmnu.com>
24. Market Place (n.d.) <https://marketplace.eotua.com>
25. Deal FLOW (n.d.) <https://dealflow.eotua.com>
26. Economy of Trust (n.d.) <https://eot.city>
27. *Management Scheme Process – ASERA*. (n.d.). <https://asera.org.uk/management-scheme/process/>
28. Riegel, D. G. (2023, December 6). *8 Ways Leaders Delegate Successfully*. Harvard Business Review. <https://hbr.org/2019/08/8-ways-leaders-delegate-successfully>
29. Hogan, G. (2024, January 18). Let someone else do it: 6 tips for effective Delegation. *Forbes*. <https://www.forbes.com/sites/ginnyhogan/2024/01/18/let-someone-else-do-it-6-tips-for-effective-delegation/?sh=7107ea0e7b38>
30. Source: Carrie Leana. 1986. Predictors and Consequences of Delegation. *Academy of Management Journal*. 29 (4). pp. 754-774.
31. Author. Developed from Robert Tannenbaum and Warren Schmidt. 1958. How to Choose a Leadership Pattern. *Harvard Business Review*. March-April.
32. (n.d.) Development Management Enterprise (2022) <https://ela.kpi.ua/server/api/core/bitstreams/dec6b6c3-f443-4d21-8eef-ef69b5a0089a/content>
33. Germaniuk N.V., Tkachuk O.M. Modern Improvement Of Innovative Activities Enterprises (2020) <https://jeou.donnu.edu.ua/article/view/10192>
34. *Мотивація та делегування повноважень. Реферат*. (n.d.). Освіта.UA. <https://osvita.ua/vnz/reports/management/13786/>
35. *Техніка і форми передачі розпоряджень при організації керівництва. Реферат*. (n.d.). Освіта.UA. <https://osvita.ua/vnz/reports/management/13857/>
36. Дудукало, Г. О. (2012). *Аналіз Методів Оцінювання Ефективності Управління Діяльністю Підприємства*. Г О Дудукало | Ефективна Економіка №3 2012. <http://www.economy.nayka.com.ua/?op=1&z=1031>

37. Morozova, Y. (2019). *Challenges and solutions for HRM in international organization (based on materials of PrJSC “Philip Morris Ukraine”)* (By H. F. O. Von Korflesch, N. M. Protsun, & D. Mendoza Almanzar) [Master thesis, Koblenz].  
<https://kola.opus.hbz-nrw.de/frontdoor/deliver/index/docId/2014/file/Masters+Thesis+-+Morozova+Yuliya+-+Koblenz.pdf>

## APPENDICES

### APPENDICES A

#### Balance Sheet of BMN (Statement of Financial Position), 2019 – 2023

| I. Fixed assets  | Line code | 2019   | 2020   | 2021   | 2022   | 2023    |
|--|-----------|--------|--------|--------|--------|---------|
| Intangible assets:                                     | 1000      | 655    | 797    | 1054   | 2972   | 8979    |
| initial value  | 1001      | 2156   | 2868   | 8186   | 10812  | 15012   |
| accumulated depreciation                               | 1002      | 1501   | 2071   | 7132   | 7840   | -6033   |
| Incomplete capital investments                         | 1005      | 0      | 576    | 58     | 1577   | 35811   |
| Fixed assets:  | 1010      | 94759  | 87292  | 84438  | 100171 | 2758410 |
| initial value  | 1011      | 193439 | 198290 | 206787 | 231991 | 2758410 |
| depreciation   | 1012      | 98680  | 110998 | 122349 | 131820 | 0       |
| Investment Property:                                   | 1015      | 4242   | 3911   | 973    | 926    | 114552  |
| initial value  | 1016      | 0      | 0      | 1671   | 1671   | 0       |
| depreciation   | 1017      | 0      | 0      | 698    | 745    | 0       |
| Long-term biological assets:                           | 1020      | 94384  | 76865  | 0      | 0      | 0       |
| initial value  | 1021      | 0      | 0      | 0      | 0      | 0       |
| accumulated depreciation                               | 1022      | 0      | 0      | 0      | 0      | 0       |
| Long-term financial investments:                       | 1030      | 0      | 0      | 437978 | 539014 | 0       |
| that records under the equity method other enterprises |           |        |        |        |        |         |
| other financial investments                            | 1035      | 0      | 0      | 0      | 0      | 653     |

## Continuation of Appendices A

|  |      |        |        |        |        |         |
|--|------|--------|--------|--------|--------|---------|
| Long-term receivables                                    | 1040 | 0      | 0      | 0      | 0      | 0       |
| Deferred tax assets                                      | 1045 | 44127  | 53161  | 0      | 0      | 0       |
| Goodwill   | 1050 | 0      | 0      | 0      | 0      | 0       |
| deferred acquisition costs                               | 1060 | 0      | 0      | 0      | 0      | 0       |
| Balance in centralized insurance reserve funds           | 1065 | 0      | 0      | 0      | 0      | 0       |
| Other fixed assets                                       | 1090 | 0      | 0      | 0      | 0      | 0       |
| Total for Section I                                      | 1095 | 238167 | 222602 | 524501 | 644660 | 2918405 |
| II. Current assets                                       |      |        |        |        |        |         |
| Inventories  | 1100 | 516340 | 673823 | 675405 | 835741 | 26676   |
| Inventories  | 1101 | 0      | 0      | 47948  | 60559  | 0       |
| Unfinished production                                    | 1102 | 0      | 0      | 586956 | 632441 | 0       |
| final product  | 1103 | 0      | 0      | 39886  | 51150  | 0       |
| merchandises   | 1104 | 0      | 0      | 615    | 91591  | 0       |
| Current biological assets                                | 1110 | 0      | 0      | 0      | 0      | 0       |
| Reinsurance deposits                                     | 1115 | 0      | 0      | 0      | 0      | 0       |
| Promissory notes received                                | 1120 | 0      | 0      | 0      | 0      | 0       |
| Accounts receivable for products, goods, works, services | 1125 | 218206 | 348488 | 374004 | 428208 | 36420   |
| Accounts receivable by calculation:                      | 1130 | 6196   | 4664   | 2808   | 4015   | 8760    |
| for advances paid  |      |        |        |        |        |         |



## Continuation of Appendices A

|   |      |        |         |         |         |        |
|---|------|--------|---------|---------|---------|--------|
| with a budget                               | 1135 | 850    | 25871   | 3857    | 4148    | 8877   |
| including income tax                        | 1136 | 847    | 0       | 0       | 0       | 1192   |
| from accrued income                         | 1140 | 0      | 0       | 0       | 0       | 0      |
| from internal calculations                  | 1145 | 0      | 0       | 490011  | 211584  | 110932 |
| Other current receivables                   | 1155 | 755    | 12180   | 11886   | 139576  | 2974   |
| Current financial investments               | 1160 | 0      | 0       | 0       | 0       | 0      |
| Money and cash equivalents                  | 1165 | 1712   | 2549    | 284     | 21684   | 703    |
| Cash  | 1166 | 0      | 0       | 51      | 45      | 0      |
| Bank accounts                               | 1167 | 0      | 0       | 233     | 21639   | 0      |
| Prepaid expenses                            | 1170 | 1588   | 0       | 246     | 240     | 489    |
| The reinsurer's share in insurance reserves | 1180 | 0      | 0       | 0       | 0       | 0      |
| including in:                               | 1181 | 0      | 0       | 0       | 0       | 0      |
| long-term liabilities reserves              |      |        |         |         |         |        |
| loss reserves or reserve for due payments   | 1182 | 0      | 0       | 0       | 0       | 0      |
| reserves for unearned premiums              | 1183 | 0      | 0       | 0       | 0       | 0      |
| other insurance reserves                    | 1184 | 0      | 0       | 0       | 0       | 0      |
| Other current assets                        | 1190 | 13408  | 72822   | 2605    | 3830    | 120    |
| Total for Section II                        | 1195 | 759055 | 1140397 | 1561106 | 1649026 | 195951 |

## Continuation of Appendices A

|   |      |         |         |         |         |         |
|---|------|---------|---------|---------|---------|---------|
| III. Non-current assets held for sale and disposal groups | 1200 | 3236    | 29248   | 1891    | 0       | 490     |
| Balance   | 1300 | 1000458 | 1392247 | 2087498 | 2293686 | 3114846 |
|   |      |         |         |         |         |         |
| I. Equity   |      |         |         |         |         |         |
| The registered capital                                    | 1400 | 20327   | 20327   | 20327   | 20327   | 60000   |
| Contributions to unregistered authorized capital          | 1401 | 0       | 0       | 0       | 0       | 0       |
| Capital in revaluation                                    | 1405 | 4650    | 4650    | 4629    | 4609    | 1766214 |
| Additional capital  | 1410 | 1469    | 1421    | 4797    | 4093    | 2475    |
| Issue income  | 1411 | 0       | 0       | 0       | 0       | 2475    |
| Accumulated exchange rate differences                     | 1412 | 0       | 0       | 0       | 0       | 0       |
| Reserve capital   | 1415 | 27671   | 27671   | 27671   | 27671   | 0       |
| Retained earnings (uncovered loss)                        | 1420 | 271043  | 469362  | 468767  | 499883  | 489046  |
| Unpaid capital  | 1425 | 0       | 0       | 0       | 0       | 0       |
| Withdrawn capital   | 1430 | 0       | 0       | 0       | 0       | 0       |
| Other reserves  | 1435 | 0       | 0       | 0       | 0       | -18582  |
| Total for Section I                                       | 1495 | 325160  | 523431  | 526191  | 556583  | 2299153 |
| II. Long-term liabilities and ensuring                    |      |         |         |         |         |         |
| Deferred tax liabilities                                  | 1500 | 0       | 0       | 0       | 0       | 385716  |
| Pension obligations                                       | 1505 | 0       | 0       | 0       | 0       | 25405   |
| Long-term bank credits                                    | 1510 | 205207  | 276809  | 326659  | 350972  | 22766   |

## Continuation of Appendices A

|  |      |        |        |        |        |        |
|--|------|--------|--------|--------|--------|--------|
| Other long-term liabilities  | 1515 | 4072   | 0      | 200668 | 207135 | 1409   |
| Long-term ensuring   | 1520 | 0      | 0      | 1771   | 1750   | 0      |
| Long-term staff costs  | 1521 | 0      | 0      | 0      | 0      | 0      |
| Targeted financing   | 1525 | 10788  | 4819   | 0      | 0      | 0      |
| Charity  | 1526 | 0      | 0      | 0      | 0      | 0      |
| Insurance reserves, including:   | 1530 | 0      | 0      | 0      | 0      | 0      |
| reserve for long-term liabilities; (At the beginning of the reporting period)    | 1531 | 0      | 0      | 0      | 0      | 0      |
| loss reserve or due payments reserve; (At the beginning of the reporting period) | 1532 | 0      | 0      | 0      | 0      | 0      |
| reserve for unearned premiums; (At the beginning of the reporting period)        | 1533 | 0      | 0      | 0      | 0      | 0      |
| other insurance reserves; (At the beginning of the reporting period)             | 1534 | 0      | 0      | 0      | 0      | 0      |
| Investment contracts;  | 1535 | 0      | 0      | 0      | 0      | 0      |
| Prize fund   | 1540 | 0      | 0      | 0      | 0      | 0      |
| Reserve for jackpot payout   | 1545 | 0      | 0      | 0      | 0      | 0      |
| Total for Section II   | 1595 | 220067 | 281628 | 529098 | 559857 | 435296 |
| III. Current liabilities and ensuring  |      |        |        |        |        |        |
| Short-term bank credits  | 1600 | 0      | 20000  | 19794  | 0      | 61465  |
| Promissory notes issued  | 1605 | 89283  | 32365  | 0      | 0      | 0      |
| Current accounts payable   | 1610 | 0      | 177124 | 0      | 0      | 96862  |

## Continuation of Appendices A

|   |      |         |         |         |         |         |
|---|------|---------|---------|---------|---------|---------|
| for the long term obligations   |      |         |         |         |         |         |
| for goods and services  | 1615 | 193306  | 211902  | 133660  | 419585  | 120464  |
| for payments to budget  | 1620 | 25947   | 22550   | 25570   | 24286   | 7422    |
| including income tax  | 1621 | 0       | 0       | 0       | 0       | 2548    |
| for insurance payments  | 1625 | 3158    | 2878    | 572     | 498     | 11912   |
| for payments of wages   | 1630 | 3284    | 3262    | 1528    | 1433    | 7766    |
| on received advances  | 1635 | 351     | 634     | 839     | 39      | 52      |
| according to calculations with participants                                     | 1640 | 0       | 0       | 0       | 0       | 0       |
| from internal calculations  | 1645 | 0       | 0       | 728069  | 608982  | 3772    |
| for insurance activities  | 1650 | 0       | 0       | 0       | 0       | 0       |
| Current ensuring  | 1660 | 2886    | 2991    | 0       | 0       | 10167   |
| Deferred income   | 1665 | 0       | 0       | 0       | 0       | 0       |
| Deferred commission income from reinsurers                                      | 1670 | 0       | 0       | 0       | 0       | 0       |
| Other current liabilities   | 1690 | 137015  | 113482  | 122177  | 122423  | 57967   |
| Total for Section III   | 1695 | 455230  | 587188  | 1032209 | 1177246 | 380397  |
| IV. Liabilities related to non-current assets held for sale and disposal groups | 1700 | 0       | 0       | 0       | 0       | 0       |
| V. Net asset value of a private pension fund                                    | 1800 | 0       | 0       | 0       | 0       | 0       |
| Balance   | 1900 | 1000458 | 1392247 | 2087498 | 2293686 | 3114846 |

## APPENDICES B

### Financial statement of BMN, 2019 – 2023 years

| Indicator  | 2019      | 2020      | 2021      | 2022      | 2023      |
|--|-----------|-----------|-----------|-----------|-----------|
| Net income from sales of products (goods, works, services) | 454 022   | 721 586   | 720 883   | 704 382   | 773 147   |
| Cost of goods sold (goods, works, services)                | - 239 701 | - 349 471 | - 558 326 | - 568 800 | - 662 015 |
| Gross:   |           |           |           |           |           |
| profit   | 214 321   | 372 115   | 162 557   | 135 582   | 111 132   |
| loss   |           | -         | -         | -         | -         |
| Other operating income                                     | 37 510    | 172 814   | 235 543   | 202 995   | 2 355     |
| Administrative expenses                                    | - 43 242  | - 73 187  | - 36 993  | - 35 131  | 478 512   |
| Selling expenses   | - 75 711  | - 71 650  | - 71 287  | - 98 201  | 285       |
| Other operating expenses                                   | - 24 413  | - 61 627  | - 199 785 | - 118 616 | 12 783    |
| Financial result from operating activities:                | 78 520    | 368 410   | 90 035    | 86 629    | 26 355    |
| profit   |           |           |           |           |           |
| loss   |           | -         | -         | -         | -         |
| Income from equity participation                           |           | -         | 284 489   | 82 631    | -         |
| Other financial income                                     | 13 813    | 28 492    | 12        | -         | -         |
| Other income   | 3 783     | 6 721     | 213 089   | 69 699    | -         |

## Continuation of Appendices B

|                                   |              |              |             |            |             |
|-----------------------------------|--------------|--------------|-------------|------------|-------------|
| Financial expenses                | -<br>35 990  | - 109<br>346 | -<br>45 468 | -<br>47109 | 15 420      |
| Losses from equity participation  |              | -            | -           | -          | -           |
| Other expenses                    | -<br>153 263 | - 140<br>262 | -           | -          | -           |
| Financial result before tax:      | -<br>93 137  | 154 015      | 194 070     | 71 665     | 179 850     |
| profit                            |              |              |             |            |             |
| loss                              |              | -            |             | -          | -           |
| Expenses (income) from income tax | -<br>40 455  | 49 489       | -<br>99     | -          | - 40<br>253 |
| Net financial result:             |              |              |             |            |             |
| profit                            | -<br>52 682  | 203 504      | 194 070     | 71 665     | 157 580     |
| loss                              |              |              |             | ( )        | ( )         |