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## METHODOLOGICAL ASPECTS OF THE PROJECT APPROACH FOR DEVELOPMENT OF ENTREPRENEURSHIP

### МЕТОДОЛОГІЧНІ АСПЕКТИ ПРОЕКТНОГО ПІДХОДУ ЩОДО РОЗВИТКУ ПІДПРИЄМСТВА

*This article examines the methodology of the project approach to the foundations of entrepreneurial activity. Commonly known that a business project means the project that is whole or partially developed, implemented and financed by an enterprise or under its leadership. The small business enterprise makes all decisions themselves, justifies them, predicts the consequences, and bears responsibility for them. The model behavior of small businesses was researched and the findings vary in these behavior models in market conditions. They are limited in making decisions on issues related to the production (consumption) of products, their pricing, entering new markets, expanding I.D. The model of the project is proposed to be interpreted as a comprehensive understanding by the subject of management of the final goal and tasks that must be performed in the process of the activity. It is determined that the project cannot be more perfect than its image or model, which, in addition, must be comprehensive, clear, and fully reflect its purpose and method of implementation. It was emphasized that the main attribute of a project-oriented business is the ability of managers (owners) to clearly define the idea (image of the desired result), the whole system of changes that are necessary to implement such an idea, the timing of work, the ability to arrange them in time and space, as well as their the ability to optimally allocate and use existing resources, predict and take into account risks. The main advantages of a project-oriented business in comparison with a traditional orientation are the optimal use of the creative capabilities of managers, their knowledge and experience, synchronization in time and space, of all actions within the project through the optimal use of resources, predicting all risks and taking timely measures to address them. effective elimination.*

**Keywords:** business project, small business, project-oriented behavior, behavior model of small business entities.

*У даній статті досліджено методологію проектного підходу основи розвитку підприємницької діяльності. Встановлено, що бізнес-проект повинен означати проект, який повністю або частково розробляється, реалізується і фінансується суб'єктом господарювання або під його керівництвом. Про це свідчить той факт, що на підприємстві малого бізнесу суб'єкт сам приймає всі рішення, обґрунтовує їх, прогнозує наслідки і несе за них відповідальність. Досліджено моделі поведінки суб'єктів малого бізнесу і встановлено, що різноманітність даних моделей поведінки в ринкових умовах в основному обмежується прийняттям рішень з питань, пов'язаних з виробництвом (споживанням) продуктів, їх ціноутворенням, виходом на нові ринки, розширенням ринків і.д. Запропоновано модель проекту трактувати як комплексне розуміння суб'єктом управління кінцевої мети і завдань, які необхідно виконати в процесі діяльності. Визначено, що проект не може бути більш досконалим, ніж його образ або модель, які, крім того, повинні бути всеосяжними, ясними і повністю відображати його мету і спосіб реалізації. Підкреслено, що основним атрибутом проектно-орієнтованого бізнесу є здатність менеджерів (власників) чітко визначити ідею (образ і використовувати існуючі ресурси, прогнозувати і враховувати ризики. Основними перевагами проектно-орієнтованого бізнесу в порівнянні з традиційною орієнтацією є: оптимальне використання творчих можливостей менеджерів, їх знань і досвіду, синхронізація в часі і простір, всіх дій в рамках проекту за рахунок оптимального використання ресурсів, прогнозування всіх ризиків та прийняття своєчасних заходів для їх ефективного усунення.*

**Ключові слова:** бізнес-проект, мале підприємництво, проектно-орієнтована поведінка, модель поведінки суб'єктів малого бізнесу.

**Introduction.** Today, the conditions for the existence and development of small and medium-sized businesses are increasingly unfavorable in Ukraine. The economic crisis, the war in the East, government agencies' quality of work, the lack of the necessary regulatory framework, constant changes, and their pace, which significantly exceed the speed of the response of small and medium-sized businesses, led to its destruction.

Consequently, this situation keeps business entities in constant confrontation between the need to carry out the

strategic management and the dynamism of the appearance of various negative, including unpredictable events. Such opposition and the lack of necessary methods that would provide an opportunity, in the given conditions, to manage small and medium-sized businesses adequately requires further research.

**Setting the task.** The study of the problem related to small businesses should be started by identifying its place in the system of the market economy, by defining specific functions, both economic and social, which are

inherent to small business entities. At the same time, their specific features are being manifested, their social mission, and inner nature. And, probably, it is not important how many workers are employed, production output, etc., but what niche (segment) it occupies in the process of social reproduction.

Today, the Ukrainian economy is going through difficult times, market reforms are stuck, and the number and complexity of problems in the economy does not decrease.

Thus, the search for "safe prerequisite for the sustainable growth" of economy as a whole, and especially business, is an important task of economic science. This being the case, we should search for and develop new innovative approaches, one of which is a project approach and project-oriented behavior of a market participant.

In the world economic theory and practice, the project approach and the project-oriented behavior are recognized as effective components of companies' competitiveness and their market success. "Project approach – emphasizes the well-known expert in the field of production management, William J. Stevenson – allows an organization to focus and concentrate its efforts on implementation of a limited set of tasks in a strictly limited period of time and within a certain budget. This approach has significant advantages over others". The same point of view is supported by a large number of domestic and foreign researchers, including V.N. Burkov, S.D. Bushuev, V.I. Voropaeva, D.A. Novikov, as well as M. Albert, M.A. Razu, X. Reschke, M.H. Meskon, F. Hedouri, X. Shelley, and others.

Analysis of scientific papers shows that modern researchers-economists somewhat simplified problems of the project approach and project-oriented behavior and narrow them down to the project management. Suffice it to say that there is practically no scientific work on the project approach today in Ukraine and the existing research does not cover the project management of small and medium businesses, the development of which is extremely important for the national economy.

The purpose of research is to improve the methodology of the project approach as the basis for development of the entrepreneurial activities.

**Methodology.** The study was carried out using analysis, scientific abstraction and dialectical synthesis, as well as a method for identifying the causality of phenomena and hypothetical deduction.

**Research results.** Current economic conditions and specific features of the market reform model chosen by Ukraine require such modern approaches and concepts for modeling of the development of entrepreneurship and economy in general, which might organically unite changes at the level of microeconomics with changes at the level of macroeconomics, increase the impact of changes undertaken at the level of economic entities on their efficiency and competitiveness of the economy as a whole. One such approach is the project-based approach, which is becoming more and more popular in world economic sciences.

In the modern enterprise the project approach has not been sufficiently developed, although in practice it is being implemented on the basis of methodological project management. It should be noted that today, even the very concept of "business – projects" is not analyzed in neither scientific nor methodological and scientific literature and almost never used. Such a situation should be regarded

as unsatisfactory, because the entrepreneurship is – and is commonly known – as a specific type of activity. It is clear that business – projects and their implementation will vary greatly on the projects in their traditional sense and traditional approaches to their implementation.

Thus, the business project should mean a project that is developed, implemented and financed, in full or in part, by a business entity or under its direction. This is highlighted by the fact that in a small business enterprise an entity itself makes all decisions, justifies them, predicts consequences and bears responsibility for them. It always acts like a "director himself": designs, plans, implements or receives profit or incurred losses. That is the basis for isolation of business projects as a separate specific type of projects incorporates such main factors that shape and define the interests of an entrepreneur in a certain activity, stimulate the focus of its efforts and determine its interest in the outcome. Personal interest of the entrepreneur is the main factor of its interest in the project and it determines its behavior in this case.

Economic aspects of business entities' behavior are very important in modern economic theory. Consumer's behavior, behavior of the company (manufacturer), economic behavior, organizational behavior, work behavior, behavior of investors, some other types of behavior – they all are important areas of various branches of the economic science [7].

Considerable attention paid to behavior of small businesses entities is understandable, because behavior, as an economic category, is the form of activity and the process used by an individual to change the environment and him. Behavior is a converted form of a human person being a direct participant of economic relationships. It (behavior) features the method used for conversion of vitality, qualities, knowledge, and human potential in a real living labor and, accordingly, determines the purpose and the trend of such labor. Behavior may be described as being of a threefold nature. First, it expresses economic relations involved in implementation of an individual's potential and in the productive use of its abilities. Second, (on the surface of economic life) behavior characterizes a collection of forms and methods used for incorporating an individual in the general economical process and in a particular process of practical implementation of its labor potential. Third, behavior determines and demonstrates all forms and methods used by an individual for implementation of its functions in an organization (company), in the market and society in general.

Diverse behavior models under market conditions is mainly limited to decision-making on issues related to production (consumption) of products, their pricing, entering new markets, expansion of markets, etc. Such issues are certainly important for the market situation. But in reality, making appropriate and many other decisions, and especially their implementation, requires not only taking into account the market situation and market environment. In decision-making it is more important to fully understand the situation and to forecast of its development, the objective such individual is trying to accomplish, methods used to accomplish such objective, limits in resources and time, which exist objectively and without consideration of which the implementation of such objectives and desired changes is unlikely possible.

The above approach that combines definitions of objectives and methods for their accomplishment within the desired period of time, in terms of its content, is, in principle, coincides with the activities carried out by applying project management principles. Therefore, such behavior can be defined as a project-oriented behavior of business entities.

Project-oriented behavior (POB) by its capacity to analyze and predict the situation, to set objectives and to determine ways and means required for their unconditional accomplishment within the limited period of time and resources, to ensure complete achievement of such objectives may be extremely productive [7].

The desired and perceived levels of each aspect of the project are somewhat different. It is obvious that under other similar conditions the objective will be accomplished and the probability of such accomplishment is more likely and efficient, if the subject of management is capable of reconciling the image of each aspect of the project with the relevant existing or desired situation. And, if such understanding was additionally and meaningfully formed in the course of a long period of time, the need in the accomplishment of the project may become dominant.

Thus, the image (model) of the project should be construed as a complex understanding by the subject of management of the ultimate objective and tasks to be carried out in the course of such activities, of the desired future and possible future situation in the project itself and in the environment, of differences between the current and future state and ways to address them, of various links and mutual dependences between all such aspects and trends and patterns for their development. The more complete and vivid such understanding is and the more they coincide with the actual and the desired state of affairs, the more effective the project will be. In other words, the project cannot be more perfect than its image or model, which, moreover, must be comprehensive, clear and completely cover its objective and the manner applied for its accomplishment.

In case of project-oriented behavior, the most important is the generalized image of the objective-outcome and the manner used to achieve it. Such image appears simultaneously with the birth of the project idea. In the future, it expands, develops, and becomes more defined, clear and thorough as the project developer continues searching, collecting and analyzing the project related information. At a certain period of time, such information is generalized and is used for the development of the project plan. It is the time when basic prerequisite for the unconditional implementation of the project and the complete and effective accomplishment of the preset objectives are established. And, it is at such stages the authors of the project, if they are sufficiently consistent in their actions, form the dominant need in the implementation of the project, reach complete understanding of all (or almost all) actions that are to be taken, resources to be involved, risks to be taken into account, procedures for work performance to be applied, contractors to be employed, and etc. Understanding of the project becomes comprehensive, systematic, and only availability of such understanding with all participants and the project contractors becomes the prerequisite for commencement of the project activities following the specific project plan. This being the case, the generalized image of the project

is always kept in mind and is regarded as a backbone that guides, focuses and concentrates all resources, knowledge, logic, will, and ideas of the project participants for the purpose of practical transformation of the mental image into actual changes, and merges all the above in a single well-functioning mechanism, and provides for the absolute accomplishment of the final objective regardless of any adverse internal and external challenges and even crisis situations.

Thus, a powerful impetus to the development of entrepreneurship can be given through the formation of project-oriented behavior in the today's entrepreneurs, which can be defined as behavior that is demonstrated when the major part of non-systematic tasks is resolved by applying the project approach principles. The main features of such approach are as follows: accurate, complete and qualitative understanding of objectives, tasks, desired changes, resource and time limits, availability of a clearly understandable model (image) of the entire project, its system-based vision. For small and medium businesses, the project approach, including the project management, may become an effective means for their updating and adaptation to changes in the external and internal environment, and, by doing so, they ensure their efficient competitiveness.

In modern domestic science and practice, the project management is simplified and reduced, as a rule, to the project analysis and development of business-plans for investment projects, which is an important, but not the main component of the project approach. What is more important is the project ideology, which is based on the systems thinking, system-based vision and systematic analysis of the objective and changes implemented by an economic entity [5].

The main attribute of the project-oriented business is the managers (owners)' ability to clearly define the idea (image of the desired outcome), the entire system of changes that are necessary for the accomplishment of such idea, deadlines for work performance, ability to arrange them in time and space, and their ability to optimally allocate and utilize the existing resources, to see and consider the risks.

The main advantages of the project-oriented business, if compared with the traditional focus on the problem understanding and the development of procedures for its elimination are as follows: the best use of the creative capabilities of managers, their knowledge and experience, synchronization, in time and space, of all activities within the framework of the project through optimal use of resources, forecast of all risks and taking timely steps to effectively address them, adjustment of their own behavior, and concentration of all efforts, skills, and abilities of such individuals and organizations for the purpose of accomplishment of one plan and the same objective.

**Conclusions.** Thus, possibilities and prospects for dissemination and introduction of the project approach (thinking) are almost unlimited. The practical solution of any problem or task may be represented as a specific project, but for this purpose one shall have project-based ideas and act accordingly. The world, community and economy consist of projects, and are not represented by the chaos of interrelations with regard to production and distribution of goods and services. In fact, most achievements in any industry are practically always based on result of relevant projects, and the more projects are implemented by a

certain organization or community, the more developed and competitive such organization and community is.

Under present conditions of the high-tech community competition is withstood by not those who work harder – although this is also very important – but, those

who have more daring ideas, who is able to clearly define the priorities required for the implementation of projects and is able to focus the attention, intelligence, resources, knowledge, energy, and experience to the implementation of each of them.

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