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BUSINESS REPUTATION AS A DEVELOPMENT TOOL OF MODERN ENTERPRISE

The development of modern economic conditions stimulates the search for new competitive advantages of the enterprise and new resources, the use of which contributes to the long-term stable functioning of the enterprise, its development in a changing external environment. The advantages of intangible assets and resources to ensure the competitiveness of the enterprise are their uniqueness, often the inalienability of the enterprise, the impossibility or exceptional difficulty of copying, etc.

In the composition of intangible resources of the enterprise, an important element is the business reputation of the enterprise – a set of ideas about the company, formed in the surrounding in the course of its management.

In the scientific literature, the terms “goodwill” and “image” are often used alongside the notion of “business reputation”. In fact, the economic categories “business reputation”, “goodwill” and “image” are related in essence, but have distinctive differences.

In particular, the image is considered to be a kind of perception of the company through emotions and brands, and business reputation is a reflection of the real essence of the enterprise, which includes a set of quantitative and qualitative characteristics. Goodwill is a cost estimate of the business reputation available to an enterprise.

In general, the business reputation of the enterprise includes a set of the following elements:

- image – emotional perception of the enterprise;
- goodwill as a value measurement of business reputation;
- product quality is a basic prerequisite for gaining consumer confidence;

- financial stability of the enterprise – a sign of stability of the enterprise functioning;

- organizational culture – the internal mechanism of business reputation formation;

- reputation of the head of the enterprise – which is the first characteristic of the enterprise;

- corporate social responsibility is a necessary factor in ensuring social efficiency.

It is worth noting that over the last decades the share of business reputation in the structure of the total value of Western European and American companies has increased significantly from 18% to 82%. Also, according to the opinion of leading experts in the field of intangible assets, an increase in the value of goodwill by an average of 1% causes an increase in the total market value of the assets of the enterprise by 3%.

The business reputation of the company contributes to the increase in the number of clients and contractors of the company, and consequently increase the profitability of the business entities.

In order for the company to develop a positive business reputation, management must make a number of management decisions, which collectively represent reputation management. This type of management is specific in terms of the object of management – the reputation of the company, so it is necessary and relevant to develop the main methodological aspects of reputation management.

Based on market conditions, the following recommendations should be taken into account in its activities in order to increase the level of business reputation of the enterprise:

- to develop and implement effective foundations of their own organizational culture in the context of maintaining politeness, respect, tact, tolerance, social justice, proper appearance;

- to maintain a high level of discipline and timely obligations fulfill for the sake of forming a worthy «face» of the company in business relations;

– to work constantly on the formation of good business reputation of the head of the enterprise as a kind of “mirror” of the business entity, by developing the professional, qualification, business, social qualities of the person holding the highest management position and interests of the enterprise in the business environment;

– to apply the concept of corporate social responsibility in the process of functioning, which would involve forming partnerships with the local community and society as a whole.

It is rather difficult to form a business reputation and it is a long-lasting process, but it can be spoiled or lost at one time, so it is always necessary to pay attention to this important intangible asset.

Consequently, if the conditions for forming a positive business reputation are met, enterprises will definitely gain additional competitive advantages, which will allow them to survive in today's tough competitive environment.

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