LARGE CORPORATE ENTERPRISES’ INTANGIBLE ASSETS MANAGING AS A WAY TO SECURE A SUSTAINABLE DEVELOPMENT OF COMPETITIVE ADVANTAGES

Vereskn Mikhail

Priazovsky State Technical University, Universytets'ka st.7, 87500 Mariupol, Ukraine
E-mail: miver1976@mail.ru

Received 15 September 2012; accepted 20 January 2012

Abstract. Mining and metals production sector (MMPS) of Ukraine is one of the basic for the state’s economy. The sector’s output, as well as the gradual increase in production, gives reason for taking a favorable view of its development prospects. Until the mid-90s MMPS of Ukraine key representatives were separate companies that operated as independent legal entities. However, during 1999-2004 the MMPS enterprises integration into the structure of major private transnational financial industrial groups took place. Large-scale consolidation of major enterprises that occurred in order to adapt to market conditions contributed to the emergence of business combination referred to as holding company. In the future, Ukrainian iron and steel companies’ competitiveness in the world market will be largely determined by the scope of their participation in the global consolidation processes. Their future directly depends on the rate of large corporations’ formation and restructuring, including changes in the mechanisms of corporate governance. This is one of the most important ways to improve the efficiency of the national iron and steel industry.

Keywords: Metallurgical Holding, Competitiveness, Intangible Assets, Mechanisms of Corporate Governance.

Reference to this paper should be made as follows: Vereskun M., 2013. Large corporate enterprises’ intangible assets managing as a way to secure a sustainable development of competitive advantages, Journal of Security and Sustainability Issues 2(4): 47–56. http://dx.doi.org/10.9770/jssi.2013.2.4(5)

JEL Classifications: C12, C15, M21, L61 H0, H4, I2, I24, J16

1. Introduction

Mining and metals production sector plays a core role in the national economy and is one of the cornerstones of Ukrainian industry. Sustainability and competitiveness of countries’ economic growth is strongly related to development of key exporting industries (Balkyte, Tvaronavičienė 2010; Lapinskiene, Tvaronavičienė 2009; Travkina, Tvaronavičienė 2011; Grybaite 2011; Dudeviciute 2012; Lankauskiene, Tvaronavičienė 2012; Smaliukienė et al. 2012; Vosyliaus et al. 2012). Iron and steel industry condition and its development trends are defined by a set of factors that can be summarized in three groups: economic, regulatory and corporate. In recent times the importance of the corporate aspect of iron and steel industry development is growing, as it is this area where a number of mining and metals production sector’s crucial problems lie. These problems hinder the economic and regulatory potential of the industry. Although market economy demands creating a competitive environment with multiple manufacturers, it is large-scale production that forms market demand and supply, determines the pricing conditions and regulates bulk investment programs in the modern economy. Only major producers are able to exercise significant R & D and introduce global production innovations. Therefore, the modern market economy is formed by large industrial enterprises which become the national pride of the leading countries.
Ukrainian corporate structures in the iron and steel sector are characterized by certain specific features and are still in the primary stage of institutional development (Vereskun et al. 2011). So, no unanimous approach to either their analysis or their effective functioning mechanisms development can be found in the domestic scientific literature.

2. Intangible assets management system and corporate enterprises’ sustainable development

The businesses’ ability to grow in the new economy is defined by the number and importance of competitive advantages that are closely related to the introduction of new production and management technologies. The basis for industrial enterprises’ competitiveness is formed by its potential, the technological, economic and competitive elements of which are able to provide an adequate, prompt and quick response to the challenges of the ever-changing global environment. The mining and metals production business is characterized by the appearance of new trends, products and players that are able to provide a saturated market with competitive products and services, and to create and develop high-tech sectors that will determine the main paths of economic growth. The penetration of mining and metals production enterprises into such sectors is becoming a major mission of corporate management (Vereskun et al. 2011; Kolosok 2012).

The technological component of enterprise potential, which is characterized by effective implementation of new technologies into the production process, as well as the creation of high-tech products and services with an essential innovative component cause the change in the competitive forces. Furthermore, under these conditions, the competition strength undergoes significant impact of technological structure that is formed in the processes of globalization and the information revolution. Competition in the new economy necessitates the search for new reserves and ways to create, maintain and extend the wealth (capital) of an enterprise, which are in a great measure determined by the effective management of enterprise’s intangible assets. Intangible assets management are able to generate new structural sources of enterprise economic development through the use of proprietary and intellectual property rights, goodwill, the rights to use human resources, property, intellectual property objects, and scientific research results. To increase the effectiveness of corporate management the focusing of intangible assets (IA) management on investing the innovations into knowledge-intensive production technologies and management development technologies is needed. (Vereskun, Kolosok 2010.)

Intangible assets managing is a process of making decisions about how to create intangible assets and how to introduce them into competitive market commercial turnover in order to maximize profits. The process of IA managing includes economic, social, organizational, functional, and informational aspects. The economic aspect of IA managing process is defined by resource needs, resource allocation, available resources assessing, and their use. The social aspect of IA managing process deals with individuals’ role in its exercising. The organizational aspect of IA managing process includes regulation, rationing, instructing, and responsibility. The functional aspect of IA managing process is characterized by executing both general and specific functions. The informational aspect of IA managing process lies in information finding, collecting, processing, and transmitting (Slobodyanyuk 2009, 2010). On the basis of consistency principles and after the generalization of method guidelines on the economic systems management a conceptual system of industrial enterprises’ IA management has been developed in the study. This article provides the basic methodological characteristics of the further development of economic management system which has been adapted to the needs of IA management in large corporate enterprises and corporate groups. Thus, the structure of organizational and economic managerial mechanisms elements has been clarified and supplemented; the main content blocks that make up the presented system have been identified. The improved large corporate enterprise IA management system consists of four content blocks: management process informational provision block, process block, result block, management effectiveness analysis block. Within the management process informational provision block the information that is needed for the management process realization and serves as the input data (parameters) for it should be accumulated, processed, and transmitted. All these data are generally divided into two arrays: the feedback information array, which characterizes the current state of the management object, and the environment state information. The processed information is transmitted to the process block which consists of three elements: the management subject, the management
object, and the organizational and economic managerial mechanisms. The management subject affects the management object using an appropriate managerial mechanism. A management subject is connected with a management object by the means of information flow. Thus, the managing process lies in the relevant information collection, processing and transmission as well as in making appropriate management decisions in regard to a management object.

Intangible assets management subjects are represented by enterprises’ owners, managers and professionals at various levels depending on the management object. As a rule, effective long-term business activity in the rapidly changing competitive environment is secured by the economic and financial services of an enterprise. Management object is represented by intangibles assets of a large corporate enterprise divided into groups according to their material and cost structure:

I. Reflected in the balance sheet of an enterprise:

1) Intellectual property objects:
copyright and related rights (journalistic, scientific, and technical written works; computer programs; databases; musical works with or without a text; audiovisual works; illustrations, maps, plans, drawings, sketches, works relating to geography, geology, topography, engineering, architecture and other areas);
industrial property objects (exclusive rights to the results of creative activity used in production, i.e. inventions, industrial designs, utility models, means of civilian circulation members and their products (services) individualization, i.e. brand names, trademarks, service marks);

2) Deferred costs of an enterprise – the IA costs born by an enterprise which are to bring the investment effect in the future:
organizational expenses of an enterprise, i.e. costs associated with legal support needed for an enterprise to begin its activity: the state duty for enterprise registration in a tax inspection; the services of a notary officer, who certifies the authenticity of statutory documents copies; enterprise seal making and registration of; opening a bank account.
R & D expenditures.

3) Goodwill – an intangible asset that is taken into account only in the case of an enterprise sale (purchase) as an integral property complex:
positive goodwill – a premium to the price paid by the acquirer in anticipation of future economic benefits;
negative goodwill – a discount on the price taking place if an enterprise is sold at a price below market value, i.e. when the profitability of an enterprise is below the average level in the industry.

4) The rights to use natural resources (mineral resources, forests, water, land, land leasehold); the rights to use property (tangible property, intellectual property); the rights to conduct any activity (permissions, licenses).

II. Not reflected in the balance sheet of an enterprise:

1. Trade secrets objects – the distinction between trade secrets and other intellectual property types lies in the unlimited protection term. The right to a trade secret is valid as long as the information it contains is secret, i.e. a holder of information keeps a virtual monopoly on it.

Trade secret is one of the most versatile types of intellectual property. The concept of trade secret may refer to a variety of information and knowledge of technical, organizational, or financial nature. For example, if an employer decided not to apply an invention deliberately keeping it secret, the invention may be regarded as a trade secret. This may also be an element of the invention deliberately excluded from the description applied (Kommercheskaya tayna 2010).

2. Intellectual potential of an enterprise:
human capital (knowledge, skills, qualifications, experience, education);
market capital (brand names, customer base, order portfolio);
structural capital (intellectual property rights, information resources, instructions and work methods, enterprise organization system, know-how).

A management subject influences a management object – large corporate enterprise intangible assets – by the means of appropriate organizational and economic mechanisms.

3. The characteristics of IA management mechanism elements

In the conceptual and categorical system of economics the concept “mechanism” is seen as “a sequence of states and processes that determine an action or a phenomenon” or “a system, a device that determines the order of any kind of activity” (Korsakienė et al. 2011). H. Culmann (1993) argues that “economic
mechanism is determined by either the nature of source phenomenon or the final result of a series of events” and specifies that “a source phenomenon and final phenomena as well as the whole process taking place between them are the constituent elements of a mechanism.” Summing up the above definition, we note that any organizational economic mechanism is a certain set or sequence of economic events. Such understanding of a mechanism is supported by most authors of works on economic theory. Today economics has no clear theoretical definition of intangible assets management mechanism which is accompanied by the lack of a single list of structural constituents. The author understands the organizational and economic mechanisms of industrial enterprise IA management as follows. The mechanism of IA management is a three-level set of principles, goals, objectives, approaches, methods, competitive behaviour strategies as well as the tools of IA management by which a management subject affects a management object in order to improve the efficiency of IA use. The signal for mechanism functioning beginning is the information that comes from a management subject. Then on the first, methodological level, the basic management principles are chosen and the competitive behaviour strategy is defined. On this basis the main IA management purpose is formed, and specific tasks are formed according to them. On the second, methodic level, the most effective management approaches and methods are chosen according to the tasks received. On the third, organizational (technological) level, the most effective tools of large corporate enterprises and corporate groups IA management are determined within the chosen approaches and methods. The result of the proposed mechanism functioning is reflected in administrative decisions by the means of which a management subject affects a management object. Below we are analyzing the proposed mechanism elements in more detail.

I. Management Principles. Management process realization system of large corporate enterprises IA bases on the main IA management principles. Under the principles of IA management in this case we understand the basic, original theoretical principles, organization conduct rules in different fields. The fuller and the more justified management principles are, the more likely it is to achieve positive results in the process of object management efficiency improving. The basic principles of large corporate enterprises IA management are as follows.

The principle of the legal regulation of management. Economic and legal regulation of the IA management process, compliance with international and national law, statute regulations and corporate rules of conduct, and reducing subjectivity are to ensure IA management legitimacy.

The principle of the social orientation of management. The ultimate goal of IA management is to improve the welfare and life quality of enterprise owners, employees and contractors, to secure the harmonious development of an individual, to disclose individuals’ capabilities to control IA objects.

The principle of management system scientific validity. In order to improve the stability and effectiveness of IA management in the process of IA management system formation and implementation the effect of objective economic laws and patterns, the laws of nature and society development, the laws of thinking should be taken into account; scientific approaches and modeling techniques should be used. In IA management systems developing and implementing the well-known approaches to IA management should be used if possible.

The principle of system approach to management. The principle considers viewing any business entity as a system. This allows to take into account all the important interconnections and interactions in the management system as well as to profoundly analyze the factors and to direct IA management mechanisms towards the achievement of the goals set.

The principle of innovation way of development orientation. The structural sources of the economic development of an enterprise are the production, investment and innovation factors. To improve the enterprise efficiency, IA management must be oriented towards innovational investment in high technologies and the development techniques of the management itself.

The principle of management objects ranking according to the degree of importance. The principle allows to determine the importance, the significance, and the rank of objects (problems, factors) according to their effectiveness, relevance, scale, degree of risk. As resources are always limited, they should be used to solve the most crucial problems.

The principle of management theory and practice unity. Any administrative decision should be taken accord-
ing to management logics, principles and methods, and it should also solve one of the practical problems.

**The principle of management object competitive advantages maintenance and development.** Figuring out the strengths and weaknesses of management object enables a subject to form a strategy based on forecasting and to achieve leadership in a particular field of activity or on a particular product market compared with competitors.

**The principle of management processes organization.** Ensuring a high level of IA management processes organization requires a constant analysis and improvement of proportionality, continuity, consistency, pace regularity, and automaticity of management processes.

**The principle of rational communication of management forms.** Depending on the peculiarities of a management object, its structure and management purposes IA management can be divided into corporate and entrepreneurial. Corporate management is characterized by strengthening the components integration on various stages of management objects life cycle and according to system adaptability, by providing a higher level of personnel culture and harmony, by achieving the synergy. Entrepreneurial management is characterized by a higher degree of management adaptability against the background of a higher uncertainty level as well as by a wider use of behavioral and situational approaches.

**The principle of management decisions consistency.** The alternative management decisions should be consistent in relation to the following eight factors: time, quality, scale, development level, inflation, risk and uncertainty, information obtaining method, the conditions of object exploitation (Ansoff 1999; Azgaldov 2006; Collins, Montgomery 2007; Culmann 1993; Demb 1997; Farhutdinov 2000; Meskon 1999; Mischenko 2004; Olhoskvy 2008; Porter 2005; Kolosok 2012; Korsakienė et al. 2011; Shipova 2003; Tvaronavičienė et al. 2008; Tvaronavičienė, Degutis 2008; Grybaitė, Tvaronavičienė 2008; Vereskun 2012; Tržvina, Tvaronavičienė 2010; Saee, Tvaronavičienė 2009).

II. Competitive behavior strategies. Choosing a competitive behavior strategy of is the most essential component of intangible assets management cycle. It determines all the components of the proposed mechanism further operation as well as IA management in general. IA management strategy is developed and implemented within the overall enterprise management strategy.

Within the considered system of IA management the strategy objects are represented by enterprise intangible assets grouped by management objects: intellectual property; deferred expenses; goodwill; rights to use natural resources; complementary intangible assets – know-how, clientele, management techniques, etc.

Strategy is a detailed comprehensive and integrated plan to achieve the set goals.

As a rule four basic types of market subjects competitive behaviour strategies are distinguished, each of them focusing on particular economic environment conditions and particular competitive advantages available to the enterprise. A. Yudanov proposes to introduce the following understading of strategies (Il’enkova 2002):

- Violent (power) strategy,
- Patient (specialized) strategy,
- Commutation (adaptive) strategy,
- Explorent (experimental, breakthrough) strategy.

According to the strategies that are used four types of enterprises are distinguished: “violent”, “patient”, commutation-oriented and explerent enterprises.

The strategy of “violent enterprises”. “Violent enterprises” operate in large standard production of goods and services. Goods or services produced by “violent enterprises” are characterized by an average quality and relative cheapness. The source of “violent enterprises” strength is the ability to effectively produce standard products bearing lower costs comparing with releasing small quantities of goods that differ from each other. “Violent enterprises” are also characterized by extensive scientific research, developed sales network and large-scale advertising campaigns.

The strategy of “patient enterprises”. “Patient enterprises” operate in niche products field. They produce special unusual products for certain, quite narrow range of customers. “Patient enterprises” benefit from taking into account the special needs of consumers that do not fit into the framework of standard products. “Patient enterprises” are called “cunning foxes”. Domestic enterprises may adopt this strategy as a business philosophy. It searches not to fight directly with leading corporations, but to look for ac-
Large corporate enterprises' intangible assets managing as a way to secure a sustainable development of competitive advantages

Vereskun Mikhail

The strategy of commutation-oriented enterprises. Commutation-oriented enterprises are adapted to meet the local demand of any kind. The advantage of commutation-oriented enterprises is their flexibility, the ability to respond immediately to any changes in demand. Commutation-oriented enterprises are also called “gray mice” businesses (pharmacies, barbershops, gas stations, stores). For commutation-oriented enterprises to operate no big capital, production facilities, or patents are needed. However, the object of intellectual property which commutation-oriented enterprises need is a trademark.

The strategy of explerent enterprises (“the exploring enterprises”). Explerent enterprises are engaged in development and implementation of innovative technical ideas, which are based on completely new products. Such firms are called “first portents”. If an enterprise is able to create a fundamentally new product, an extraordinary income due to breakaway from competitors is guaranteed. The introduction of breakthrough innovations is an extremely risky venture, but it is these new technical developments that provide structural shift for the economy and the humanity in general.

Having adopted this system of competitive strategies types, an enterprise needs to test their compliance with a particular strategy type according to some basic criteria: cost, products quality, range of products, marketing network availability and advertising scale. Costs and product quality are to be defined in relation to competitors’ costs and product quality (Fathutdinov 2000).

According to the chosen competitive strategy management goal and tasks are chosen. They should aim at gaining a profit from the use of the created innovations, and that inevitably leads to the creation of new intellectual property. If the “violent” strategy is chosen, large-scale R & D for continuous development of a large number of improving innovations that are rapidly implemented in products is needed. If an enterprise has chosen the “patient” strategy, the choice of specialized niche is inevitable. The niche will require less intensive, but more specialized, narrowly targeted developments that will also be of an improving, adaptive nature. Both “violent” and “patient” strategies seek to provide a patent monopoly for created improvements. For commutation-oriented enterprises individualization techniques are needed more than for any other enterprise type. Such enterprises seek to ensure the patent monopoly on the level of trademarks, trade names, and appellations of origin of goods. If an enterprise claims to be explerent, the problem of a fundamentally new product creating funding is especially vital. These breakthrough inventions patenting is a priority for explerent enterprises. It should be noted that enterprises may go through all stages in their development – from “explerent” to “violent” enterprises and vice versa (Demb 1997). Therefore, choosing an IA strategy for an enterprise, the strategy of the whole organization development at a particular stage or future development direction of an enterprise in relation to any strategy must be defined.

III. The purpose of management: improving the efficiency of a management object operation as well as the overall owners’ welfare maximization in current and future periods, which is to be reflected in the corporate enterprise market value growth.

IV. Management tasks. The main tasks of enterprise’s IA management are correlated with the tasks of enterprise’s assets management and with the competitiveness in general. The enterprise IA management tasks are as follows:

- The formation of a sufficient amount of intangible assets, which is needed to secure the necessary growth rate of an enterprise. This is done by determining the overall demand in intangible assets for the financing of IA needed for an enterprise and by the formation of the optimal schemes of intangible assets financing according to particular sources;
- the optimization of the generated intangible assets fund distribution according to types of activity and fields of use. This is done by searching the opportunities to use IA in the most effective way in particular types of enterprise activity and business operations and by determining the proportions of IA future use for ensuring the attainment of the necessary conditions for their most effective use and market value growth;
- providing conditions to achieve a high profitability of intangible assets with the lowest level of financial risk. It should be borne in mind that a high level of IA profitability is achieved, as a rule, during a substantial increase in the level of financial risk associated with its formation, as there exists a direct connection between these two indicators;
- minimizing the financial risk associated with the use of intangible assets with the lowest level of its profitability. If the level of profitability generated by in-
tangible assets is given or planned in advance, it is necessary to reduce the financial risk of operations that are aimed at achieving the yield; ensuring the constant financial balance of an enterprise in the process of its development. Such balance is characterized by a high level of financial stability and solvency of the organization at all stages of its development and is ensured by the formation of an optimal capital structure and its allocation into the intangible assets in the required quantity; ensuring the adequate financial control over the organization by its owners. Such financial control is legally ensured by preserving the controlling stake in the hands of organization original founders; ensuring the sufficient financial flexibility of an enterprise. The financial flexibility reflects the organization’s ability to quickly generate the necessary amount of additional capital in the financial market when unexpected and highly efficient investment proposals for acquisition of intangible assets appear; intangible assets structure optimizing. Intangible assets structure optimizing is realized through various IA objects flow effective control during the individual cycles of their circulation within the organization as well as through ensuring the synchronization of different IA flow types formation connected with operational and investment activity; ensuring the prompt capital reinvesting in the most profitable intangible assets and operations that secure the necessary efficiency level of these objects use, the reinvesting being caused by changes in external economic environment conditions or in internal characteristics of a corporate enterprise or a corporate group operation.

V. Methods. Management method is a set of ways and techniques management subjects may use to influence a managed object by the means of their activities and in order to achieve their goal. The basic methods of intangible assets management include economic, organizational and administrative, and sociopsychological management techniques. Moreover, the set of enterprise’s IA management methods should be formed on the basis of documents arrays analysis, the methods being divided into five groups (I’enchova 2002): the method of structural and morphological analysis; the method of publication activity analysis; the method based on identifying the patent documents groups with a set of high-power corresponding patents, or the corresponding patents method; the method of terminological and lexical analysis; the indicators method (Slobodyanyuk 2010).

VI. The basic tools of enterprise’s IA management are IA identification and inventory; undertaking a legal examination; intangible assets valuation, including assets on enterprise’s books and records; IA commercialization.

In carrying out IA identification and inventory under the proposed management system the results of intellectual activity are revealed, the categories of intangible assets objects are defined. One should also check whether the existing accounting units correspond to both own and purchased intellectual property and inspect the documents that certify the rights to these objects and prove the authenticity and legality of these rights exercise. The main goals of intangible assets inventory are:

- to confirm the actual availability of intangible assets;
- to compare the actual availability of intangible assets with the accounting data;
- to check the books and records completeness.

When conducting IA legal expertise the legitimacy of asset ownership is established and the mode of IA objects protection is chosen; the latter may be copyright, patent law, or trade secret.

Intangible assets valuation and accounting is closely connected with the intellectual property (IP) legal protection and the legal regime related to it. For example, it is impossible to take into account the costs of an invention development as an intangible asset without receiving a patent for it; and the contract for intellectual property will be invalid unless checked by state. So, valuating the costs of intellectual rights acquired by the means of it would be meaningless pursuits (Azgaldov 2006).

Evaluation is a set of legal, economic, technical, organizational, and other kinds of techniques intended to establish the value of a valuation object as a commodity (Ansoff 1999; Aksenov 2007). The most common purposes of intangible assets valuation are as follows:

- in the case of defining the cost of capital contribution;
- in the case of inventoring (accounting) the intellectual property and its introducing into commerce;
- to optimize property tax payments;
- in the case of issuing a loan secured by exclusive rights;
- to attract investors and secure transactions;
in the case of resolving intellectual property evaluation conflicts, including establishing the loss from a violation of exclusive rights to intangible assets; in the case of obtaining intellectual property rights and licenses to use them (Grishaev 2004; Fathutdinov 2000; Fomina 2007).

For intangible assets of an enterprise the same kinds of cost valuation are calculated as for other assets: acquisition, replacement, market, investment, mortgage, insurance, and taxable value. The basic methods of intellectual property and intangible assets valuation are discounted cash flow method, market method and cost method (Mischenko 2004; Olkhovskiy 2008). The advantages of each particular approach depend on the availability of the necessary information, buyers or owners of intellectual property requirements, economic situation at the time of evaluation.

The ways of either IA evaluation method practical application vary. However, we believe that discounted cash flow approach is the best for both intellectual property objects sellers and buyers as it is based on an assessment of the potential benefits from intellectual property objects using. In the enterprise’s intangible assets management system proposed by the author the information about environment state is formed by the following data:

- the legislation in the field of intellectual property, including the legislation that regulates enterprise intangible assets accounting;
- the sources of IA and the ways they have been acquired by an enterprise;
- innovative activity of an enterprise;
- R & D;
- information about the active market of intellectual property state;
- the results of intangible assets analysis according to directions depending on the object of accounting and management, etc.

4. The results of IA management mechanism functioning for securing a sustainable development of competitive advantages

The eventual result of intangible assets management is a management decision that includes:

- goals developing and setting;
- problem study based on the information received;
- the selection and justification of the efficiency criteria (effectiveness criteria) and the possible consequences of the decision taken;
- discussing different options to solve a problem with experts;
- the optimal decision selection and formulation;
- taking a decision;
- decision specification for its performers.

Management decision is the result of analysis, forecasting, optimization, economic assessment and selecting alternatives from a variety of options in order to achieve a specific management system goal (Ansoff 1999; Porter 2005).

According to management technology a managerial decision is a process that consists of three stages:

1) decision preparation;
2) decision-making;
3) decisions implementation.

At the stage of the managerial decision preparation the economic analysis of the situation at micro and macro level is conducted. The analysis includes information search, collection and processing as well as finding the problems that need solving.

At the decision-making stage the development and assessment of alternative decisions and actions performed on the basis of various calculations is done, the criteria for choosing the optimal solution are selected, the best decision is taken and approved.

At the stage of decision implementation steps to specify the decision and to bring it to the performers are taken, the progress of its implementation is monitored, the necessary adjustments are made and the results of decision implementation are assessed. Each management decision has a certain result; that is why the goal of management is to find such forms, methods, tools and instruments that could help achieve the optimal results in specific conditions and circumstances (Vereskun et al. 2011; Kolosok et al. 2012).

Conclusions

The new economy is accompanied by a new form of competition for profits and markets – not only between companies within the same state, but also between countries and transnational corporations. The development of corporate enterprises’ competitiveness in the new economy determines the importance of intangible assets effective management, which is a new reserve for enterprise wealth creation, preservation and growth.

Within the considered enterprise’s IA management
system the ultimate management decisions are concerned with:
forming an effective structure of intangible assets;
creating sustainable competitive advantages based on the IA owned by an enterprise;
increasing the value of an industrial enterprise.

The approved management decision concerning enterprise’s intangible assets efficiency improvement is a subject to mandatory assessment.

The integrated conceptual system of IA management proposed by the author is an open subsystem of enterprise management and is characterized by operation continuity, cyclicity, emergence (integrity), the ability to adjust management purposes at any stage according to the adopted strategy of enterprise development.

Thus, on the basis of the conducted studies the author improved an integrated conceptual system of industrial enterprises’ intangible assets management, which consists of the following interconnected blocks: management process informational provision block, process block, result block, and management effectiveness analysis block. The blocks are connected by informational links and have a feedback channel that allows assessing the state of a managed object.

References


Sae, J.; Tvaronavicienė, M. 2009. Innovation and entrepreneurship in transition countries: An empirical study of innovative behaviour of Lithuanian entrepreneurs with reference to regional economic development, in Silver Kyaruzi, I.; Radovic


