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SERVICE FUNCTIONALITY OF INDUSTRIAL PARKS: DEVELOPMENT FROM THE PERSPECTIVE OF VALUE- BASED MANAGEMENT

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Abstract: *The current organizational and institutional advantages of industrial parks are considered from the perspective of value-oriented management, and it is proposed to expand their service functionality to increase residents' capacity for innovation and technological development.*

Keywords: *value proposition, innovation infrastructure, business environment quality, organizational space*

The structural changes in Ukraine's economy are inevitable and urgent due to the destruction of many industrial enterprises that formed the basis of its export capacity before the war. It is important for these changes to occur not just adaptively but purposefully, considering the need to maintain the necessary level of national security and prioritize post-war economic development in Ukraine. It is evident that managing structural changes must be strategic and take into account the dynamics of global economic space and its technological foundation. The latter should provide sufficient flexibility in production systems to maintain the competitiveness of economic entities from the strategic perspective. That is, to be unique according to the criteria that form the basis of competitive advantages in the industry or innovation-ready (capable of adjusting to diversify market value propositions). The investment needs to attract such technologies are significant, as are the risks of

investment loss in a country where every corner is not immune to missile or other attacks from aggressors.

Given the high investment risks, institutional support for attracting investments to Ukraine's industrial sector must be ensured – for the development of industrial enterprises on an innovation-technological basis. The economic significance of such support should be commensurate with the risks of investment loss during the active phase of the war. Only under these conditions will the restoration of industrial production occur in Ukraine—both through the relocation of industrial enterprises from temporarily occupied territories and through the development of the industrial sector of the economy on a fundamentally new technological basis.

In particular, this will be facilitated by the establishment of legal principles for the functioning of industrial parks in Ukraine. Let's consider its main preferences from the perspective of value-oriented management [1]. That is – from the viewpoint of the value for users of the service package they receive by becoming participants in the park. The basic package of institutional regulation of the activities of industrial park residents allows solving three important problems for industrial investors: land allocation, connection to networks, and reducing the cost of acquiring basic production equipment. Thus, the industrial park becomes equipped with the necessary production infrastructure – a plot of land for industrial purposes with the necessary utilities. These positions are extremely valuable for project development implementation – as they significantly reduce the time and resources needed for its implementation, which can be decisive for the project's market success in business. The government has envisaged co-financing the construction of necessary infrastructure for industrial parks through local authorities and the state. At the same time, private businesses may also participate in this – adding those service enterprises to the basic infrastructure elements that improve the quality of the business environment.

In order to enhance the value-added impact of the Law on Industrial Parks, the Cabinet of Ministers of Ukraine has adopted amendments to it, providing the following preferences for IP residents: exemption from import VAT and customs duties on equipment listed in the Ukrainian Classification of Goods for

Foreign Economic Activity [2], exemption from income tax for 10 years for certain types of activities, and granting local self-government bodies the right to establish exemptions from local taxes [3]. Due to the comprehensiveness of the legislators' approach to addressing the most important problems of industrial investors, the industrial park has ceased to be just a legal framework for its participants, providing certain tax and customs preferences. At the same time, the availability of such preferences acts as a limitation on the allocation of investment expenses. Thus, an important option of customs preferences for park residents is their exemption from paying duties and VAT on equipment. Thanks to this, they will be able to use the tax-exempt funds for implementing cutting-edge technologies, creating or upgrading their material and technical base, increasing production volumes, etc. Thus, more funds can be directed towards its technological component – to choose equipment that is more advanced in terms of functional-productive and operational quality criteria. We have developed an algorithm for such selection, in which the main criteria for selection are flexibility of technological solutions, environmental neutrality, resource efficiency, and productivity. This will expand the possibility of product differentiation for different target markets, promote its entry into markets of other countries, and preserve competitiveness in the long term. Such parks create a single organizational space for relocated enterprises, where they can not only conduct independent economic activities but also integrate efforts to implement joint innovative projects that meet the requirements of sustainable development. As of today, Ukraine has already registered 73 industrial parks [4]. However, the preferences laid down in the current regulations can bring better results for park participants if a value-oriented approach is also applied to structuring their business processes. In particular, by allocating homogeneous servicing or ancillary processes to them, which can be professionally provided by specialized service enterprises. And this includes not only equipment maintenance or energy supply services but also analysis of consumer markets or technological innovation markets. Such processes are important for maintaining the competitiveness of enterprises in working with markets and resource suppliers. At the same time, they require qualified professionals capable of using modern information

platforms and technologies to ensure the reliability and value of the obtained results. Therefore, in our opinion, the basic service functionality of industrial parks should be supplemented with necessary elements of innovative infrastructure. For example, this could be a Technology Transfer Center, which functionally would support the development of production systems of park residents on a related technological platform – this would provide advantages in payment for engineering services and operational maintenance. At the same time, such functions can be complemented by the services of a Quality Certification Center. Together, this can provide better organizational readiness for park participants to enter international markets with new value propositions [5].

Such an expansion of service functionality can be particularly valuable for parks that integrate industrial enterprises based on technological affinity or complementary use of territorial resource potential. At the same time, there should be an increase in the technological competitiveness of businesses in line with global technological trends. This will create better prospects for domestic manufacturers of technically complex products to enter the technological chains of leading international companies. And working in high-tech markets will enable innovative entrepreneurs to accumulate experience for entering international markets with their own value propositions, creating new consumer niches.

Therefore, an industrial park should be considered not only as a spatially defined and infrastructurally equipped territory of industrial activity, which serves as an organizational framework for residents with institutionally entrenched customs and tax preferences for a certain period, but also as an organizational space whose service functionality provides better conditions for business development on an innovative-technological basis, expands the opportunities of residents to produce value propositions, and is capable of generating synergy effects of their cooperation from the strategic perspective. Thus, industrial parks can become innovation-oriented technological platforms for the development of domestic industry on fundamentally new principles of management that correspond to the concept of sustainable development. This is crucial for the post-war revival of the economy and technological equipping of relocated productions in line with global trends in the

development of societal needs, which will increase their chances of entering international markets. Modelling the system of service functionality of industrial parks in the context of increasing their value for the development of industrial enterprises will be the subject of further research.

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