

### BUSINESS - THE ENTERPRISE MODEL BY THE "8 CUBES" METHOD

The processes of forming business models are in the field of scientific research of modern aspects of enterprise management, which are in the field of view of foreign and domestic scientists.

The concept of "business model" is closely related to the strategy of the enterprise [1], because the strategy formulates a specific goal (market position), and the business model describes how to achieve it (how to create value for competitive advantage). The relationship between the business model and the strategy can be represented by the "value equation":

$$V = MS,$$

where V (Value) is the value; M (Model) - business model; S (Strategy) - strategy.

The equation assumes that an enterprise must independently identify the best business models for strategy implementation and, on their basis, implement its own strategy aimed at meeting needs [2].

Researches in the field of business modeling highlight the methodological approaches that focus on the study of the main elements: consumers, supply (product), distribution channels, consumer relations, cash flows, resources, partners and cost structure [3].

Noteworthy is the "8 cubes" approach (Table 1), a sequence of actions that allows you to systematize the goals and methods of business organization. The response mechanism in all blocks gives the opportunity to build an effective and successful business model.

In addition, the structure of the mechanism for organizing the business model of the enterprise indicates not only the necessary composition of its components, but also the logic of formation. Given that each of the components, having its purpose, content, methods of operation, influences one of the essential characteristics of the management process, that is, has a relative priority, their optimal combination ensures the formation of effective management decisions, their implementation and activation of the properties of the subject management for self-development.

Table 1

*The algorithm of building a business model by the method of "8 cubes"*

1. <b>Consumer needs:</b> what do consumers want? what are their unresolved issues? what might interest them?	6. <b>Consumer Attraction Mechanism:</b> Where Do Customers Come From? which channels are most effective?
2. <b>Sources and components of the product:</b> what resources (technologies, scientific knowledge, know-how, etc.) are available?	7. <b>Consumer actions:</b> what are consumers responding to? how to increase the number of interested consumers?
3. <b>Finished product and packaging:</b> product development, how do you "submit" a product to make it attractive?	8. <b>Target consumer portrait:</b> what is the target consumer? consumer maturity pyramid
4. <b>Non-market competitive advantage:</b> what sets the company apart from its competitors?	
5. <b>Market strategy:</b> what is the state of the market? what strategic areas should you choose?	

The process of creating an effective business model takes place in 3 stages: offering value to the consumer; forming a chain of value creation; determining the value that the firm receives in the process, as well as ways to protect against competitors. Elements of the business model under this approach are consumer loyalty, methods of its strengthening, brand equity and approaches to its growth, production system and relations with suppliers [4].

There are usually three steps to review your existing business model:

- analysis of typical business models of enterprises in the industry key skills, abilities of each type of enterprises and the logic of the appearance of these models.
- analysis of the current business model of the enterprise, research of key skills in the company, revealing the contradictions of the existing model;
- selection of promising business models of the alternatives, description of the logic of transition to long-term business model, development of a transition program [4].

In the context of applying the optimal business model specifically to the needs of consumers on the activities of the enterprise form the priority objectives, key of which in modern conditions are:

- minimization of production costs;
- the quality and reliability of products (goods/services);
- ability to respond to changes in demand.

Consistent implementation of these stages will form an effective business model of enterprises, and continuous monitoring and timely updating of the business model will ensure sustainable and efficient development of the enterprise. the ability to respond to changes in demand.

### References:

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3. Скриль В.В. Бізнес-моделі підприємства: еволюція та класифікація. *Економіка і суспільство*.. 2016. №7. С.490-496.
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