

### **A project management approach to enterprise relocation in Ukraine**

Business relocation, the strategic displacement of firms' operations, assets and personnel amid geopolitical upheavals, that has historically served as a vital survival tactic, from Cold War-era shifts to modern war aggression like those caused by rf in Syria and Ukraine, where companies navigate deteriorating security, economic collapse, and humanitarian disasters to sustain viability [1]. These moves, whether internal evacuations or cross-border migrations, enable continuity by prioritizing employee safety, asset protection, and operational resilience. However, the complexity of such transitions demands systematic coordination - this is where the application of project management (PM) principles becomes crucial, transforming ad-hoc relocations into strategically managed processes. By integrating PM standards from the outset, such relocations not only transform existential threats into opportunities for innovation and market diversification.

In the context of rf's full-scale invasion of Ukraine that began in February 2022, the relocation of businesses has quickly become a crucial strategic priority for protecting and maintaining the nation's essential production capacity. This process, which started in 2014 due rf's occupation of several regions of Ukraine. And relocation was not only for safeguarding physical assets from immediate destruction and to stop the alarming loss of skilled workers but also to ensure uninterrupted operations, thereby strengthening the country's broader economic resilience during ongoing hostilities. Recent estimates indicate that close to 8,000 Ukrainian businesses moved within the country in 2025 alone, with a strong focus on adaptable sectors like manufacturing and the consumer goods industry, where operational flexibility allows for the swift and efficient movement of facilities and staff [2]. However, the true success and long-term sustainability of these moves depend on the disciplined application of project management (PM) principles, which transform what could become chaotic, unplanned evacuations into carefully coordinated initiatives. By approaching relocation as a complete project lifecycle – including initiation, detailed planning, meticulous realisation, constant monitoring, and formal closure – organisations can systematically reduce risks, make the best use of limited resources, and adjust to the unpredictable demands of a warzone. Established methodologies, such as the flexible, iterative approaches of Agile frameworks, are highly suitable for these crisis situations, effectively turning profound existential threats into structured opportunities for industrial renewal, improved efficiency, and long-term sustainability.

The context for business relocation in Ukraine is fundamentally shaped by intense geopolitical situation and urgent security needs, most visibly in the prolonged occupation and militarization by rf of eastern and southern regions. Industrial centers like Kharkiv, Zaporizhzhia, and Donetsk have suffered catastrophic damage to infrastructure, widespread power cuts (blackouts) that halt machinery, and the complete disruption of complex supply chains, leading to sharp production drops of between 30% and 50% in these areas [3]. Thus, companies – especially those heavily reliant on exports – have proactively moved their operations to more secure western and central regions, such as Lviv, Kyiv, and Vinnytsia, where greater stability and functioning infrastructure allow for a quicker restart of production. Since the rf's invasion started in 2022, authorities have recorded over 18,000 such internal business moves, strategically prioritizing high-value industrial plants, large warehouses, and key logistics centers. This collective migration is far from a set of isolated, ad-hoc actions; it is systematically aligned with the core phases of project management. It begins with the initiation stage, which involves all stakeholders (government and state agencies, private investors, and employees), creating detailed risk registers to quantify threats from combat zones, and developing a solid project charter to protect and enhance the company's pre-war strengths. The critical task of selecting a new location for instance, uses analytical tools such as SWOT and/or PEST analysis to carefully balance factors such as immediate safety against long-term logistical viability, ensuring that relocated operations not only survive but also maintain their previous output levels and competitive market position.

By 2022, no enterprises were relocated to the Zhytomyr region. However, business relocation efforts under Ukraine's national program, initiated after rf's full-scale invasion, have yielded modest progress. As of late 2023, six enterprises had successfully relocated to the area, primarily from frontline regions such as Donetsk, Kharkiv, and Chernihiv. Up to now limited compared to more popular western regions, underscores local initiatives to provide secure industrial spaces and support services, fostering economic diversification in sectors such as manufacturing and agriculture while addressing infrastructure needs for sustained operations.

The key traits of these relocated businesses show their flexibility and role in preserving Ukraine's production. Mostly SMEs in light industries – textiles, food processing, furniture, and pharmaceuticals – relocate more easily than capital-intensive heavy industries like metallurgy or chemicals. Within a project management framework, these priorities are central to the planning phase, where budgets are carefully set – often with support from international grants of up to €30,000 from institutions like the European Bank for Reconstruction and Development (EBRD) – and schedules are optimised to overcome logistical challenges, such as arranging rail or truck convoys for heavy machinery [4]. Basic techniques like the Critical Path Method (CPM) are used to map out and synchronise key steps – from dismantling equipment and secure transport through conflict areas to reassembly and testing – significantly reducing operational downtime from several months to just a few weeks. These measures collectively enhance operational resilience, reduce job losses by reallocating staff, and protect supply chains from ongoing disruptions in a volatile geopolitical environment.

The Ukrainian government and regional administrations have played a central role in enabling and scaling these relocations, considering them as a unified national priority supported by innovative public-private partnerships that combine state coordination with business agility. From the early days of the invasion in 2022, initial measures like free asset transport via Ukrainian Railways and small microgrants (up to 100,000 UAH, or approximately 2047,66 EUR (as

of October 27, 2025) for companies with fewer than 12 employees) have evolved into sophisticated frameworks that leverage international donor funding and bilateral aid. As a result, emerging western hubs like Lviv have transformed into vibrant industrial centers, hosting the majority of relocated enterprises that produce everything from specialty paints and coatings to precision automotive parts. This has generated thousands of new jobs and strengthened economic ties with the European Union due to closer proximity to border crossings like Poland [4]. Illustrative case studies demonstrate this impact: the furniture company Roomio, which moved its entire team from Kharkiv to Lviv and successfully increased production. In project management terms, the government's role resembles that of a high-level project sponsor, providing crucial financial support and regulatory simplifications – such as fast-tracked licensing and tailored tax incentives – to speed up the process. The execution phase, in turn, requires a robust communication plan to coordinate with various stakeholders, from informing clients about temporary production delays to creating comprehensive employee support packages that include relocation allowances and psychological counseling. At the same time, sophisticated risk management is essential to address challenges like workforce shortages due to necessary for the security of the country mobilisation and sharp cost increases in local real estate; these are managed through contingency plans, such as hybrid operational models that maintain a minimal presence in original locations for a phased shutdown.

The deliberate application of project management principles significantly enhances the relocation process. Ongoing challenges, including persistent funding gaps or transport delays caused by damaged infrastructure, are systematically addressed through rigorous post-project reviews: early relocation efforts provided valuable lessons, promoting the use of prefabricated, turnkey industrial parks for faster setup and building collaborative relationships with local authorities to overcome bureaucratic hurdles. In essence, the project management framework ensures that relocations achieve more than just saving assets; they build a foundation of resilient structures that reposition western Ukraine as an emerging, self-sustaining economic hub ready for significant future growth.

Progressive policy recommendations call for expanding customised support channels for light industry businesses, strategic investment in durable infrastructure networks, and workforce retraining programs – such as vocational centers focusing on digital skills – all carefully integrated with PM standards to manage scalable, repeatable deployments across the country. As the prospect of liberating occupied territories becomes more concrete, these foundational efforts will provide efficient pathways for managed returns, aligning the revival of freed areas with a balanced national reconstruction plan. In summary, the combined force of relocation demands and the disciplined approach of project management not only addresses the urgent needs of the present but also carefully constructs a visionary foundation for postwar prosperity, enduringly demonstrating the relentless and innovative adaptability of Ukrainian business in the face of existential threats.

#### References:

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