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FEATURES OF BUSINESS CONDUCT IN EUROPEAN COUNTRIES

Особенности ведения бизнеса в европейских странах

In the global business context, understanding the nuances of conducting business in different countries is crucial for success. Our research is aimed at presenting best business practices using the French company LVMH as an example of a successful European company. The objectives include studying and analyzing successful European companies, identifying key success factors and examining advantages and limitations of doing business in Europe. The research methodology involves qualitative analysis of secondary data and comparative analysis among successful European companies. The examples of them include Volkswagen Group (Germany), LVMH Moët Hennessy Louis Vuitton SE (France), Nestlé (Switzerland), Royal Dutch Shell (Netherlands/United Kingdom), and Inditex (Spain).

The first model to analyze was the business model of LVMH. LVMH's business model is based on diversification through a wide portfolio of luxury brands across various sectors. It owns prestigious brands in fashion, accessories, watches and jewelry, perfumes, cosmetics, and beverages. LVMH applies vertical integration by controlling production, distribution, and retail. It owns manufacturing facilities, stores, and distribution networks, ensuring quality control and optimizing processes. Additionally, LVMH invests in research and development, fosters creativity, and supports young designers, allowing for innovation in its products and attracting customer. According to LVMH statistics and wikipedia LVMH's financial growth from 2020 to 2022 has been significant, with an increase in operating profit before interest and taxes from 8.305 billion to 21.055 billion. The operating profit margin also improved from 18.6% to 26.6%. Net profit and the group's share in net profit experienced substantial growth as well.

Factors contributing to LVMH's financial performance include strategic decisions, innovation, and marketing. The company expands geographically, diversifies products, and engages in mergers and acquisitions. Innovation in design, production, and marketing attracts and retains customers. Effective marketing and unique brands enhance success.

LVMH's business model combines elegance, efficiency, and vertical integration. Investments in research and development and support for young designers drive innovation. Competitors include Kering, Richemont, and Estée Lauder.

Macroeconomic factors impacting LVMH include economic growth, inflation, and currency fluctuations. Doing business in Europe offers a wide market, developed infrastructure, stability, and skilled workforce. Constraints include high taxes and regulatory complexity.

So, in order to expand in Europe, one needs to thoroughly research the market, develop a cultural-sensitive strategy, establish a local presence, consult experts, understand regulations, adapt to local conditions, and learn the language and culture.

To summarize all of the above mentioned, LVMH's success stems from strategic decisions, innovation, and marketing. Its business model and competitiveness contribute to its leading position. Using the above mentioned practices, one can significantly strengthen his business.

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SPECIFICS OF DOING BUSINESS IN LIBERIA AND SOMALIA

Особенности ведения бизнеса в Либерии и Сомали

Third-world countries, often characterized by lower income levels, underdeveloped infrastructure, and political instability, present a unique set of challenges and opportunities for businesses.

In this article, we will delve into the distinctive features of business development in these nations, examining the hurdles that enterprises must overcome and the potential rewards for those willing to invest.

The prevalent economic instability in third-world countries poses a significant barrier to business growth. Frequent economic crises and volatile currency exchange rates can disrupt operations and erode profitability. And we will record financial results in some countries, including Liberia, Somalia.

Inadequate infrastructure, encompassing transportation, energy, and telecommunications, hampers business efficiency. For instance, unreliable power grids can lead to production disruptions, while poor transportation networks increase logistics costs. Businesses often find themselves compelled to invest in these infrastructure areas, further straining their resources.

Political instability, corruption, and unpredictable government policies can create an inhospitable business environment. In some cases, abrupt policy changes can lead to significant losses for companies. It's essential for businesses to carefully assess the political climate and develop contingency plans to mitigate these risks.