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DOING BUSINESS INTERNATIONALLY

In a geographically structured organization, where divisions are represented by geography or country, understanding cultural complexities is critical to business success. The role of cultural factors either in success or failure in doing business internationally is the subject of the current study. Values and beliefs are a key issue in understanding cultural differences. Most organizations have a vision and values that define their organizational culture. The vision and values provide a common foundation for the entire organization. They communicate what the organization is and how employees should conduct business and interact with each other and with the customers. They set the tone for behavioral and operational expectations.

Based on the experience of working in an international environment, which is analyzed in the works published by many scientists, it can be noted that cross-cultural awareness and tolerance imply a variety of intelligences beyond (IQ), including emotional, cultural, social, and collective types of intelligence [1, 2, 3, 4, 5].The fundamental values of each culture are linked to the metaphorical structure of the most fundamental concepts of the language. There are values that are deeply rooted in different cultures.

Cultural traditions can vary within individual groups and communities. In today's global economy understanding these differences can make you successful in building business relationships and running business, while failing to recognize these differences can lead to misunderstandings, destroy business relationships and damage billions of dollars' worth of transactions [6]. Reward systems are based on these values. Many of them support socially desirable types of behavior: "avoid conflict, treat each other with respect and dignity," "value working hours," "value teamwork and collaboration." The way organizational values are defined and interpreted can lead to misunderstanding and conflict. It is well known that socially desirable, organizational values do not necessarily fully correspond to national or ethnic values [7, 8, 9]. There may be some overlap, especially in the area of personal behavior towards other employees, but there are also certain differences. For example, the thesis "avoid conflicts, treat others with respect and dignity" seems quite harmless. However, ethnically, this can be interpreted in very different ways. It may suggest differences in such communicative behavioral tactics as directness and indirectness inherent in linear-active and multi-active cultures. To the members of the latter, American directness may seem offensive or even aggressive, while their linearly active partners may view indirection in business as insincere behavior that can destroy trust and lead to communication failure.

Can a large multinational organization have its own particular culture and spread it throughout its national branch? Multinational corporations are interested in promoting a common culture in their subsidiaries, because it is seen as a kind of connecting material that should help achieve integration and coordination [10]. However, subsidiaries often have an ingrained national culture that can resist what the headquarters would like to impose. This means that national values sometimes exceed corporate values. Citing research results, N. Adler clearly dispels the myth that corporate culture can erase national culture [11]. Collective intelligence is of particular importance as a form of universal, distributed intelligence resulting from the cooperation and competition of many individuals. Collective intelligence manifests itself in the area of organizational behavior and leadership. Many organizations discover collective intelligence and put it into practice to classify, evaluate, and share information, as well as to make forecasts and solve problems [2, 7]. It seems that the increasing role of collective intelligence will be manifested not only in the choice of the company's business strategy, but also in the format of cross-cultural communication in order to find the most acceptable balance between organizational and ethnic values to achieve more effective results of the chosen business strategy.

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THE APPLICATION OF INDUSTRIAL SCORING TO LENDING TO SMALL AND MEDIUM-SIZED BUSINESSES

Scoring is a mathematical model, the output of which gives the user a numerical value that characterizes the level of credit risk, and which the user can compare with the predicted probability of default of a small business. Let us consider the following stages of building a scoring model:

1. Creation of the database of clients of sufficient volume and quality;
2. Division of clients into categories: («good», «bad», «refusal»);
3. Definition and documentation by banks of the notion of default;

Questioning of clients;

5. Verification of statistical significance;
6. Decision making.

This model correlates the level of credit risk with parameters that characterize the client. No matter how complex the model is, it always divides potential borrowers into two classes: those to whom credit can be granted and those to whom it is «contraindicated». Thus, any task of risk assessment comes down to solving two tasks: the task of classification: assigning the object to one of the a priori given classes (for example, «good», «bad», «failure»); regression task: numerical estimate of the probability of an adverse event [1].

To build any statistical model it is necessary to have a sufficiently large and qualitative database, it should contain all possible information on clients for the last 2-5 years, including client number, bank product, decision on loan application, date of account opening, debt status, account balance, etc. Further, the following must be excluded from the sample [2]: all non-standard cases; refusals to grant a loan for reasons due to a single bank policy; cancelled, incomplete or in-process loan applications; non-standard behavior of the client after the loan repayment.

All other data in the sample should be broken down into categories: «good» (solvent), «bad» (insolvent) customer or «denied» loan repayment. The bank must precisely formulate its definition of a «bad» case (default).