

OUTSOURCING AS AN EFFECTIVE TOOL FOR THE ENTERPRISE FUNCTIONING

Toniuk M.O.

Candidate of Economic Sciences,
Senior Lecturer at Department of Economy of Enterprises,
Kyiv National Economic University named after Vadym Hetman

Today, outsourcing is an efficient tool for providing effective functioning of domestic enterprises. As a confirmation of that, outsourcing is a common practice among developed countries.

When properly implemented, such a powerful tool as outsourcing not only decreases operating and overhead expenses but also increases productivity by providing the opportunity to focus on main business functions.

The article considers outsourcing in Ukraine to be quite promising kind of activity. According to statistic data, most of the outsourcing employees in Ukraine are inhabitants of the capital, Kyiv. The article also highlights Ukraine's significant potential as a player on both East European and global IT outsourcing markets. Indeed, in 2016, gross output in this area has reached \$1 billion and the number of IT specialists has increased to over 25.000, which makes Ukraine the largest on the East European IT outsourcing market.

Despite the great development prospects of outsourcing in Ukraine, there are barriers,

which prevent it from fully functioning. The article analyses those barriers and highlights the imperfection of legal framework, which limits outsourcing activities; weak relationships between Ukraine and European countries, which prevent transnational corporations from establishing their units in Ukraine; and Ukrainian entrepreneurs' lack of experience, which prevent them from a deep understanding of problems and more effective decision-making.

To solve the above problems, it is recommended to take a number of measures:

- strengthen the legislative framework by adopting the Law of Ukraine, which will provide all the legal aspects of outsourcing relations, and would correspond to international requirements;
- strengthen the relationship with European countries, which will allow transnational corporations to establish their units in Ukraine;
- work out the programs, which will help Ukrainian entrepreneurs to collect, organize, and analyse essential for the decision-making information much more effectively.