

SDNBS 2020**International conference «Sustainable development of national business systems: conditions and prospects»****IMPROVING THE BUSINESS MODEL AND POLICIES OF
MINING CORPORATIONS**

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Abstract

The article discusses the problem of improving the business model and policy of mining corporations. It is shown that the new model should include the social and economic responsibility of business, risk management and innovation management aimed at adapting the enterprise to the results of scientific and technological development. It is determined that the new business model of corporations requires corresponding changes in state, sectoral and corporate industrial policy. It has been determined that the unclear terms and rates of recovery of economic activity in the industries that consume raw materials make it necessary to adjust the approaches and methods of strategic planning at enterprises. The study highlights the incentives and constraints in the organization of new enterprises in the extractive industry. It was determined that the new business model of mining enterprises should take into account economic, social and environmental constraints and ensure sustainable operation and development. Corporate industrial policy must necessarily include innovation policy and be correlated with the social and environmental policies of the corporation and the state. It is shown that the development of the ecosystem of mining enterprises, including social and economic infrastructure, determines the relationship of the corporation with the local community. The importance of proactive forecasting and strategic planning is revealed. Some mechanisms of industrial policy of corporations have been developed.

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1. Introduction

The high rates of geopolitical, geo-economic and geosocial changes pose the challenge of improving the business model of mining corporations. The important issues that the new business model must address are:

- social and economic responsibility of business, development of relations with stakeholders, consolidation of the corporation's ecosystem with the ecosystem of the regions;
- risk management aimed at forecasting and managing benchmark points of development, the possible appearance of "black swans", ensuring the sustainable operation of the enterprise in conditions of high market volatility;
- innovation management aimed at adapting the enterprise to the results of scientific and technological development, both in the industry and among consumers of products.

The new business model of corporations requires corresponding changes in government, sectoral and corporate industrial policy.

2. Problem Statement

The business model of mining enterprises, based on maximizing profits, optimizing taxation with going offshore, minimizing non-corporate social responsibility, is becoming ineffective in modern conditions.

Conflicts with the local community are growing, the basis of which is the growth of the ecological, ethnic, religious self-awareness of the population. In many cases, the understanding of natural resources as a public good causes public rejection of approaches to their appropriation by business without return to the community.

The crisis of the past year, caused by the pandemic, further exacerbated the problems of the mining industry that have been accumulating over the years, affecting the demand for its products. Unclear terms and rates of recovery of economic activity in industries - consumers of raw materials need to adjust the approaches and methods of strategic planning at enterprises.

3. Research Questions

The study examines the problems of the development of the enterprise ecosystem, which allows you to move from the value chain, which is traditionally the basis for building a corporation, to a value creation network, with the inclusion of the company's stakeholders. The study highlights the incentive (market, systemic and behavioral) and constraining (technological, environmental and political) factors of organizing new enterprises in the extractive industry, which provides the opportunity to develop a program for the development of the industry in the region.

The high volatility of economic processes requires the use of methods of proactive forecasting of development. It is possible to single out the incentive (market, systemic and behavioral) and constraining (technological, environmental and political) factors of the organization of new enterprises in the

extractive industry, which provides an opportunity to develop a program for the development of the industry in the region.

The main provisions of strategic planning in the extractive industries are currently based on the dualism of the vision of the future of the economic system and the use as a strategy of the "life period" whose internal task is to satisfy the interests of owners, managers and employees of the enterprise, and the external task is to ensure the sustainability of the sectoral and intersectoral economic systems in the planned period, as well as an alternative strategy of "revival and development", the internal task of which is to realize the interests of owners, managers and employees of the enterprise, and the external task is to ensure the stability of regional economic systems in the post-plan period.

4. Purpose of the Study

The purpose of this article is to develop a business model and corporate industrial policy in the extractive industries in the context of the formation of an innovative environmentally-oriented economy, which determines the limitations and principles of management in the field of non-renewable natural resources in a strategic perspective.

5. Research Methods

The concept of a business model, as a concept for organizing a company's business, appeared in the middle of the last century. The business model is based on an approach to strategic company management. That is, it is associated with models of corporate strategy formation and business process management.

A number of foreign researchers, such as Drucker (2017); Porter (2008) and others, consider the business model as an organizational mechanism for implementing strategies.

Authors such as Johnson et al. (2008); Lewis (2004); Magretta (2002) consider the business model as a mechanism for ensuring the processes of achieving financial results - profit from sales

Alexander Osterwalder (Osterwalder & Pignet, 2012) used a structural approach to the formation of a business model, including the resources and processes of economic activity”.

The problems of limited resources as a basis for the socio-economic development of the state and regions were considered by Meadows et al. (2007); Pestel (1988) and others. The heterogeneity, complexity and quality of resources in the theory of economic growth were considered by Belomestnov (2018); Dzarasov (2002); Yaremenko (2001) and others. The theory of innovative economic development was founded in the works of Schumpeter (2007).

A new business model for mining enterprises must take into account economic, social and environmental constraints and ensure sustainable operation and development.

Corporate industrial policy must necessarily include innovation policy and be correlated with the social and environmental policies of the corporation and the state.

6. Findings

6.1. General approaches to improving the business model

The traditional business model of a corporation is focused on a specific management concept. "These concepts currently include: the concept of lean manufacturing; the concept of process management of the organization; the concept of "energy management"; the concept of the quality of systems and processes; the concept of customer focus; the concept of digitalization of management and production; financial management concept; the concept of social organization, etc." (Nikolaev, 2020, p. 104).

The company's nighttime business should be socially and environmentally oriented, taking into account the turbulence and volatility of economic processes, high rates of innovation.

The main stakeholders of the enterprise:

- corporation (owners, management, employees);
- product consumers and competitors;
- government bodies of Russia and the region, local government bodies;
- local community.
- Key processes (blocks) in the model:
 - ensuring innovative technological and economic development;
 - ensuring social and economic responsibility and involvement in the ecosystem of the region;
 - providing proactive planning for sustainable development.
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The efficiency of the mining corporations is currently formed on the basis of the interaction of the production chain with other technological, economic and social chains affecting the activities of the enterprise, which allows us to talk about the network of formation of the company's values.

6.2. Innovative development of the corporation

Corporation management is currently aimed at automated data processing; the use of intelligent computer methods is complex in nature and allow solving a number of interrelated problems of business process management.

Modern production also currently uses automated high-tech and high-performance processes and equipment, which requires the emergence of new competencies of the enterprise and its employees.

The main mechanisms of innovative development of corporations in the mining industry:

- periodic technological audit of the needs for innovative development of enterprises;
- stimulating research and innovative development programs;
- formation of corporate and government orders for innovative developments for priority types of production;
- formation of new competencies of the enterprise and its employees that meet the requirements of the innovation economy.

6.3. Socio-economic responsibility of business as the main direction of improving the business model of enterprises in the mining industry

6.3.1. Internal and external corporate social and economic responsibility

The social responsibility of the organization is divided into two components:

1. Intracorporate social responsibility.

It is formed on the consolidated participation of owners, management and employees and includes the organization of labor, industrial and personal safety, labor discipline, remuneration; working conditions and industrial life; social status and social career of an employee in the organization and in society, training, retraining and advanced training of personnel, social benefits, guarantees and compensation, etc.

“Relations with the trade union organization are also important, including jointly resolved issues, such as the role of trade unions in the social development of the collective, collective agreements, resolution of labor disputes, certification of workplaces, organization of recreation and social events, additional social package, additional system of material (non-monetary) incentives: housing, recreation, treatment, education and other elements (Nikolaev, 2020, p. 97)”.

2. Non-corporate social responsibility.

Non-corporate social responsibility considers the development of relationships with local authorities, the local community, increasing the enterprise's contribution to solving problems and tasks of the development of settlements.

An important area of social responsibility is the environmental responsibility of business, which is also included in economic responsibility through such mechanisms and tools as the use of the best available technologies, product recycling, minimization of harmful emissions and waste, and perfume mechanisms.

The economic responsibility of the organization lies in the maximum satisfaction of the interests of all stakeholders in the strategic period.

It includes such components as:

- formation of a system of redistribution of incomes inside and outside the corporation;
- reorganization of the corporation's tax system in favor of the territories where production is located;
- formation of a long-term innovation and investment policy and strategy;
- other mechanisms.

6.3.2. Development of the ecosystem of mining enterprises

Development of social infrastructure

The development of social infrastructure in the business model is carried out in two directions:

- development of social infrastructure within the enterprise, which includes all the necessary for the life of the employees of the unit, especially in remote areas from populated areas;
- development of social infrastructure of enterprises on the territory of settlements: hostels, medical institutions, housing and communal services, etc., including patronage of educational

institutions, improvement of the territory of compact residence of workers, as well as other forms of relationships

The development of economic infrastructure is based on the emergence of new institutional units within the enterprise, aimed at solving emerging innovative problems and problems, as well as the emergence of external infrastructure units (transport, communications, energy, etc.) providing services to the local community.

6.4. Providing preactive planning for sustainable development

6.4.1. Preactive planning

It is aimed at creating a multi-level system for forecasting the market conditions of manufacturers and consumers of products, including taking into account future innovative changes. It encompasses the science-innovation-production-consumption chains and requires the formation of sufficiently developed analytical services, including not only at the level of individual enterprises and corporations, but also by consolidating forces in the industry.

6.4.2. Risk management

It teaches the creation of effective mechanisms for active and passive management of development risks, as well as methods for transferring and insuring risks.

6.5. Improving corporate policy

6.5.1. Approaches to regulating the rate of development of enterprises in the extractive industry

The author has formed a classification of approaches to regulating the rate of development of economic systems in the extractive industry. In this classification, along with the well-known investment, innovation, information and institutional approaches, a group of integration approaches is proposed based on the use of intra and inter-sectoral and territorial integration, as well as diversified multidisciplinary approaches in the structural enterprises.

6.5.2. Basic mechanisms of development and transformation policy

As the basic mechanisms for the implementation of corporate policy, the author suggests:

1. The mechanism of information cooperation in ensuring the production activities of the enterprise, including determining the reserves of raw materials, as well as social cooperation with the local community in the formation of a favorable image of the enterprise.

2. The mechanism of the integration development of the business environment of the enterprise aimed at expanding the ecosystem of the enterprise through cooperation with scientific, educational,

social institutions, as well as with infrastructure organizations and enterprises within the framework of sectoral and inter-sectoral cluster interaction

3. The mechanism for the creation and development of interregional industrial complexes for the development of the territory and deep complex processing of minerals, involving the formation of products with high added value.

4. The mechanism for the formation of compensating projects at the macro and micro level of the economy in the implementation of the strategic development of manufacturing enterprises, implying a certain expansion of the scope of the enterprise, up to the diversification of production.

7. Conclusion

The proposed improvement of the business model and the policy of its implementation by mining corporations allows the organization to adapt to the conditions of high market volatility, turbulence of economic and political processes, high rates of development and implementation of innovations.

It helps to localize conflicts with the local community and to solve the problem of strategic development of the enterprise.

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