

УДК 339.1

JEL Classification: L12

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VENTURE FUND MANAGEMENT IN CONTEXT INTERNATIONAL PARTNERSHIP

DOI: <https://doi.org/10.32620/cher.2024.1.09>

Formulation of the problem. In today's globalized world, venture capital plays a key role in stimulating innovation and the development of new technologies. The growing importance of venture financing draws attention to the management of venture funds, especially in the context of international partnerships. However, despite the potential benefits of international cooperation, there are numerous challenges that make it difficult to effectively manage venture capital funds in such an environment. *The purpose of the article* is to study modern approaches and strategies of venture fund management in the context of international partnership with the aim of identifying key factors that affect the success of investment projects, consideration of challenges and opportunities arising from cooperation between different countries and regions, determination of optimal approaches to effective management of venture capital assets in the international environment. *The object of the study* is the key factors affecting the success of investment projects in the international venture environment, as well as practical recommendations for fund managers, investors and regulators in order to improve venture capital management strategies and increase the competitiveness of international investment projects. *The methodological basis of the research* was the logical methods of information processing, statistical analysis, comparison. *The main hypothesis of the study* is that there is a direct relationship between the degree of success of venture fund management and the level of cooperation and mutual understanding between partners from different countries and regions. In addition, it is assumed that the implementation of optimal management strategies aimed at maximizing the potential opportunities of international partnership and reducing risks will allow to increase the effectiveness of venture investments on an international scale. *Presenting main material.* The role of international partnership in venture investing is studied through the analysis of the impact of international partnership on the development of the venture market and the determination of the challenges of managing a venture fund in an international context. The importance of global pooling of resources and expertise for investing in promising startups and technological projects has been proven. The problems of cultural and legal differences between the partner countries are characterized. Strategies for managing venture assets in an international environment are proposed. *Originality and practical significance of the research.* The study provides an original perspective on venture fund management, considered in the context of international partnerships. The proposed approach allows taking into account cultural, legal and economic differences between partner countries. The given recommendations can be used by fund managers to improve strategies for managing venture assets in the context of international partnerships. Investors will receive information on the key factors and risks associated with international venture investing, which will help them make more informed decisions about the allocation of their investments. *Conclusions.* The study shows that successful management of a venture fund requires not only technical competence, but also the ability to work effectively in international cooperation and take into account the specific features of different markets. Recommendations are given on optimizing management strategies and reducing risks to achieve successful investment results in international venture business.

Keywords:

venture fund, venture investment, principles of management, public-private partnership, mechanism of venture financing.

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УПРАВЛІННЯ ВЕНЧУРНИМ ФОНДОМ В КОНТЕКСТІ МІЖНАРОДНОГО ПАРТНЕРСТВА

Постановка проблеми. У сучасному глобалізованому світі венчурний капітал відіграє ключову роль у стимулюванні інновацій та розвитку нових технологій. Зростаюча важливість венчурного фінансування привертає увагу до питань управління венчурними фондами, особливо в контексті міжнародного партнерства. Однак, не зважаючи на потенційні переваги співпраці на міжнародному рівні, існують численні виклики, які ускладнюють ефективне управління венчурними фондами у такому середовищі. *Метою статті* є дослідження сучасних підходів та стратегій управління венчурним фондом в контексті міжнародного партнерства з метою ідентифікації ключових факторів, які впливають на успішність інвестиційних проєктів, розгляд викликів та можливостей, що виникають від співпраці між різними країнами та регіонами, визначення оптимальних підходів до ефективного управління венчурними активами у міжнародному середовищі. *Об'єктом дослідження* є ключові фактори, що впливають на успішність інвестиційних проєктів у міжнародному венчурному середовищі, а також практичні рекомендації для фондових менеджерів, інвесторів та регуляторів з метою покращення стратегій управління венчурним капіталом та збільшення конкурентоспроможності міжнародних інвестиційних проєктів. *Методологічною основою дослідження* стали логічні методи обробки інформації, статистичний аналіз, порівняння. *Основна гіпотеза дослідження* полягає в тому, що існує пряма залежність між ступенем успішності управління венчурним фондом та рівнем співпраці та взаєморозуміння між партнерами з різних країн та регіонів. Крім того, припускається, що впровадження оптимальних стратегій управління, спрямованих на максимізацію потенційних можливостей міжнародного партнерства та зменшення ризиків, дозволить підвищити ефективність венчурних інвестицій у міжнародному масштабі. *Виклад основного матеріалу.* Досліджено роль міжнародного партнерства у венчурному інвестуванні через аналіз впливу міжнародного партнерства на розвиток венчурного ринку та визначення викликів управління венчурним фондом у міжнародному контексті. Доведено важливість глобального об'єднання ресурсів та експертизи для інвестування у перспективні стартапи та технологічні проєкти. Охарактеризовано проблеми культурних та правових відмінностей між країнами-партнерами. Запропоновано стратегії управління венчурними активами у міжнародному середовищі. *Оригінальність та практичне значення дослідження.* Дослідження надає оригінальний погляд на управління венчурним фондом, який розглядається в контексті міжнародного партнерства. Запропонований підхід дозволяє враховувати культурні, правові та економічні відмінності між країнами-партнерами. Наведені рекомендації можуть бути використані фондовими менеджерами для покращення стратегій управління венчурними активами в умовах міжнародного партнерства. Інвестори отримають інформацію про ключові фактори та ризики, які пов'язані з міжнародним венчурним інвестуванням, що допоможе їм зробити більш обґрунтовані рішення щодо розподілу своїх інвестицій. *Висновки.* Дослідження показує, що успішне управління венчурним фондом потребує не лише технічної компетентності, а й умінь ефективно працювати в умовах міжнародного співробітництва та враховувати специфічні особливості різних ринків. Надані рекомендації щодо оптимізації стратегій управління та зменшення ризиків для досягнення успішних інвестиційних результатів у міжнародному венчурному бізнесі.

Ключові слова:

венчурний фонд, венчурне інвестування, принципи управління, державно-приватне партнерство, механізм венчурного фінансування.

Formulation of the problem. In today's globalized world, venture capital plays a key role in stimulating innovation and the development of new technologies. The growing importance of venture financing draws attention to the management of venture funds, especially in the context of international partnerships. However, despite the potential benefits of international cooperation, there are numerous challenges that make it difficult to effectively manage venture funds in such an environment. This article is aimed at identifying the key problems and

studying the management strategies of venture funds in the conditions of international partnership in order to ensure the sustainable success of investment projects and increase their competitiveness in the world market.

In a constantly changing world, venture capital and international partnerships are becoming important factors for the development of new technologies and startups. The relevance of the research lies in the awareness and study of optimal strategies for managing a venture capital fund in the context of international partnership.





Analysis of the rest of the research and publications. A significant contribution to the development of the investment and financial mechanism of venture business was made by foreign scientists, including D. Gladstone, L. Gladstone, P. Gompers, K. Campbell, J. Lerner, M. Maul, G. Murray, G. Bigrave, J. Timons, T. Halman, M. Puri, C. Richardson, C. Barry, C. Mascarell, J. Peavy III, M. Vetsyupens [1-5]. However, the solution of problems related to ensuring a balance between the interests of the state and private business, the formation of a mechanism for state support of venture capital investment requires further research.

The purpose of the article is investigate modern approaches and strategies of venture fund management in the context of international partnership in order to identify key factors that affect the success of investment projects, consider challenges and opportunities arising from cooperation between different countries and regions, and determine optimal approaches to effective management of venture assets in such an international environment. In addition, the article aims to offer practical recommendations for fund managers, investors and regulators to improve venture capital management strategies and promote the competitiveness of international investment projects.

Presentation of the main research material. International partnership contributes to the development of the venture market by pooling resources and expertise from different countries. This allows investors to maximize the potential opportunities and reduce the risks associated with investing in promising startups and technology projects.

International venture capital investment leads to increased risks associated with cultural and legal differences between partner countries. This requires careful analysis and selection of strategies that would ensure effective management of venture assets in the context of global cooperation.

To achieve success in international venture investing, it is necessary to apply optimal strategies for the formation and management of a venture portfolio. Diversification and risk sharing play a key role in ensuring investment stability and profitability.

The study shows that the successful management of a venture fund in an international context requires taking into account specific challenges and using optimal strategies.

By providing practical advice to fund managers, investors and regulators, it is possible to increase the efficiency of management and increase the competitiveness of investment projects in the global market.

Throughout the entire period of the evolution of institutions for financing the national venture capital business, the state of Israel has played a key role in its institutional and legal support: 1) the functioning of the main political institutions that create the necessary conditions for the long-term and sustainable development of an innovative economy; 2) development of special state programs focused on the development of infrastructure in various sectors, including transport, water supply, energy, defense; 3) creation of an institutional environment for all subjects of the innovation economy (government, research institutes and universities, venture business, large manufacturing companies); 4) development of legal legislation regulating the inflow of capital into venture funds.

In 2000-2007, the Turkish government adopted a number of laws regulating the economic, financial, legal relations of the state, society and business entities in the field of gas production and consumption, water supply, electricity production and consumption, and construction. Laws on the encouragement of capital investments and scientific research have been approved, tax reforms have been carried out, and privatization is proceeding at a rapid pace. However, there is no separate law regulating public-private partnerships.

In the understanding of specialists, public-private partnerships are long-term agreements between the public and private sectors (mainly large-scale and complex) for the provision of services by the private sector, usually related to the prerogative of the state [3, p. 5]. These agreements allow the fullest use of the capabilities of each of the parties through the competent distribution of risks, resources and rewards in order to maximize the quality and minimize the price of the services provided in the price-quality category.

Features of the implementation of the venture process in Turkey:

Developed venture capital infrastructure: Turkey has a fairly developed venture capital infrastructure, including an active venture capital market, technology parks and innovation centers.

Government support: The Turkish government actively supports the development

of the venture sector by providing tax incentives, grants and other financial incentives for startups and innovative enterprises.

Active Startup Ecosystem: Turkey has a vibrant and dynamic startup ecosystem, with numerous accelerators, incubators and investment funds that foster the development of new technologies and business ideas.

Geographical location: Located at the crossroads of Europe and Asia, Turkey has a strategic geographical position that facilitates the development of international partnerships and access to the markets of both continents.

Cultural features: Turkey's cultural and linguistic features can affect the venture process, including business style and management approaches.

Legal Environment: The legal environment in Turkey can be complex, which can affect investment conditions and the protection of investor rights.

Understanding these features will help to manage the venture fund more effectively in the context of international partnership, promote the successful development of startups and ensure the stability of investment projects in Turkey.

Public-private partnership (PPP) gives the Turkish government the opportunity to provide the population with additional and better basic services (in transport, water supply, defense) by attracting the capital and competencies of the private sector. For the private sector, PPPs provide a unique business opportunity to provide a wide range of services over a long period (typically 20 to 30 years), at well-defined rules and at negotiated rates.

Basic principles for the implementation of PPP projects: common participation of the private sector and the public sector; transition of the state from the status of the owner to the user of services; long-term license period (20 - 35 - 99 years); private sector activities: planning, construction, financing, commissioning, maintenance, sale of services / goods; using the relative advantages of different sectors with the distribution of liability risk factors.

In recent years, a number of large infrastructure projects have been introduced in Turkey, in the implementation and financing of which the private sector has played a significant role. Whereas the traditional idea of PPP in Turkey was associated only with large infrastructure projects initiated by the state. Today, the PPP model seems to be suitable for

medium-sized projects, in particular, projects of municipalities and non-profit organizations.

Among the main steps of the state and society aimed at increasing the innovative potential of the Israeli economy and attracting business to this work, the following should be mentioned:

creation of the Infrastructure Fund in 2006; formation of the PPP Project Department in the structure of the state insurance company INBAL, which coordinates the work of various tender committees (works according to the principle of the PPP center of Vnesheconombank);

creation of interdepartmental tender committees with the participation of relevant ministries and departments (Ministry of Finance, Ministry of Transport, Ministry of National Infrastructure).

The main stages of development and implementation of PPP projects are:

1. Studying the business environment.
2. Identification of the main criteria for the suitability of the project for the use of PPP schemes: the definition of venture financing mechanisms, the possibility of combining the interests of the public and private sectors, the transfer of project risks to a private investor.
3. Evaluation of proposals - comparison of the project cost in terms of the implementation of the project exclusively by the public sector, and tender proposals from the private sector, with the cost of the project, which is carried out according to the PPP model.

The mechanism of state support for venture investment is a complex mutually agreed system of institutions, organizational, economic and legislative measures taken by the state in order to regulate and stimulate venture business. This mechanism includes the following elements: normative; organizational; financial; personnel and information.

The regulatory element of the state support mechanism is based on legislative acts and regulations governing venture investment in innovative activities and specialized legal institutions that ensure the practical application of the regulatory framework.

The organizational element combines a set of organizational procedures and structures that relate to the private and public sectors and determine the functioning and development of venture capital investment. The main organizational elements are: Ministry of Finance, Ministry of Transport, Ministry of National





Infrastructure, Interdepartmental Tender Committees, venture companies (Check Point Software, Mirabilis); business schools; science and technology parks, innovation and technology centers; information-analytical and consulting centers.

The structure of financial support includes banks, insurance companies (PPP Project Department in the structure of the state insurance company INBAL), state investment funds (infrastructure fund), corporate and individual investors, venture funds.

The personnel element provides for the development of a complex of various institutions for the training and training of qualified managers and consultants in management and business, innovation managers and investment asset managers.

Information support of venture investment unites reference, patent, analytical, technical and advertising information, regularly updated and summarized by information institutions and supplied to users through various communication channels.

In public-private partnerships in Turkey, venture capital can be used to develop innovative projects and stimulate economic growth. Here are some ways venture capital can be used in such a partnership:

Financing of startups and innovative projects: Public-private partnerships can contribute to the financing and development of startups and innovative enterprises with the help of venture capital. This may include providing financial support through public funds or investment programs of private venture capital funds.

Creation of incubators and accelerators: Public-private partnerships can facilitate the creation and financing of incubators and accelerators that support startups at the initial stages of their development. These centers can receive funding both from the state and from private venture funds.

Development of technology parks: The government can promote the development of technology parks, which are centers of innovation and technological development. Venture funds can invest in companies based in such parks, as well as provide them with support and advice.

Creation of specialized funds: The government can facilitate the creation of specialized venture funds that specialize in

financing specific industries or technology sectors that are a priority for the country.

Stimulation of innovative activities: Public-private partnerships can contribute to the creation of programs and initiatives aimed at stimulating innovative activities among enterprises and startups that receive venture capital funding.

These ways demonstrate how venture capital can be used in public-private partnerships in Turkey to drive innovation and economic growth.

The use of venture capital in Turkey is associated with various risks that can affect the success of investment projects, namely:

Political risks: changes in the political and legal environment may lead to regulatory and legislative uncertainty affecting the investment climate.

Political conflicts or instability may cause negative consequences for business and investment.

Economic risks: economic crises and fluctuations can lead to a decrease in demand for the startup's products or services, which can negatively affect the return on investment.

Currency risks are associated with fluctuations in the value of the Turkish lira compared to other currencies.

Technological risks: a startup's technological dependence can be a risk, as rapid technological progress can make a product or service obsolete.

Technical issues, such as unforeseen software crashes or engineering errors, can also affect the success of a project.

Market risks: competition in the market can be very intense, especially in high-tech industries, which can make it difficult to commercialize a product or service.

Unforeseen changes in market conditions, such as changes in consumer demand or market behavior, can also cause risk.

Management risks: lack of experience and qualifications of management personnel can lead to incorrect company development strategies.

Conflicts in the management team or insufficient efficiency of management processes can also affect the success of the project.

Liquidity risks: failure to make an exit (an IPO, merger or acquisition) can make it difficult to return venture capital to investors.

Insufficient liquidity of the company can lead to financial problems and even bankruptcy.

Understanding these risks will enable investors and businesses to manage risks and develop strategies to reduce their impact on investment projects in Turkey. The creation of municipal private-state venture funds is aimed at ensuring that public funds invested in venture funds will reduce the risks of private investors included in these funds and play the role of a catalyst in attracting private funds to the venture business. Despite the success of similar programs in Turkey (Yozma), the American experience in the termination of financing using FVC equity mechanisms under the Small Business Investment Companies program (when they issue so-called equity securities) indicates a high risk of such mechanisms of state incentives for the development of venture investment. In this regard, it is expedient to expand the set of mechanisms used in Turkey to stimulate the development of venture financing by providing state guarantees for borrowed funds of venture funds. Such a mechanism will help reduce the risks of investing in debt securities of venture capital companies and stimulate the development of venture capital investments.

Conclusions and prospects for further research. The study highlights the importance of understanding and implementing optimal venture fund management strategies on an international scale. Considering the challenges and opportunities that arise in the context of international partnerships, and applying the recommendations put forward in this article, success and stability in venture capital investment in the global market can be achieved.

The mechanism of state support for venture investment, which combines regulatory, organizational, financial, personnel and information elements, will contribute to the formation of an economic and legal environment favorable for the development of the venture capital industry based on public-private partnership mechanisms.

Subsequent studies provide for the development of recommendations for the implementation of action programs of the state and business in the field of venture financing of the innovative economy.

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Стаття надійшла

до редакції : 20.12.2023 р.

Стаття прийнята

до друку: 29.03.2024 р.

Бібліографічний опис для цитування :

Аytaç Y. Venture fund management in context international partnership. *Часопис економічних реформ*. 2024. № 1 (53). С. 72–77.

