

senal of Ukrainian law firms. They provide a work with different jurisdictions and international organizations that have appeared. Nowadays the state (ministries and other government agencies) started to use the services of Ukrainian legal business supporting them indirectly. Legal business, in turn, provides legal services in support of sovereign agreements concluded between states.

In addition, it should be noted such positive trend as intellectual diversification. Today Ukrainian lawyers have the opportunity to practice in the US and UK. For this, they even did not need higher education in these countries. It is enough to have the necessary legal experience, to confirm their level of knowledge of a foreign language and pass a special exam. In case of successful result, the person gets the right to engage in legal practice in another country without any restrictions. Today many Ukrainian lawyers have a Certificate of Entitlement to legal practice in the US and the UK. Intellectual diversification is not an inherently classical labor migration. This diversification means that the lawyers who have this right to practice in USA and UK remain then in Ukraine and begin or continue to diversify Ukraine legal business based on his experience, and consolidate its position in the international area.

Thereby, the market of legal services in Ukraine is one of the most dynamical segments of national services market, which keeps pace with the times and is the locomotive for other markets. Nowadays legal services market in Ukraine accompanies the high quality IT businesses, actively helps to form the market of modern medical services. It is very important step in the reforming of health care in general. Legal services market in Ukraine exists staunchly, and legal business continues to grow at high rates that gives hope for the improvement of the national economy, the law system and its institutions, and public administration.

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CONSULTING MANAGEMENT IN THE SPHERE OF LEGAL SERVICES BUSINESS: THE SENSE AND FUNCTIONS

Knowledge management (KM) as a system of managing intellectual resources of a firm, which is aimed at providing their effective usage for achievement of business goals, integrates directions, measures, and methods of different types of

firm management: management of resources, employees, communications, capital, innovations, a productive process, finances, etc. KM contains the following types and directions of management activity: management of intellectual labor resources as bearers of tacit knowledge, which are the resource basis for intellectual business; management of intellectual capital as a set of specified human and structural capital of a firm, particularly the knowledge database and objects of intellectual property; management of knowledge movement at an organization; providing intellectual security of knowledge and their bearers. Since professional knowledge and information are the content of intellectual resources of a firm, significant peculiarities, which reveal the specific sense of their objects as well as general characteristics, are peculiar to the mentioned components of KM.

The author thinks that consulting management (CM) should also be considered as a component of KM, because professional consulting is an effective channel of receiving, transferring, and dissemination of knowledge and information. Studying the content of CM is based on the following interrelated approaches:

- management process. CM is an effective instrument of managing a firm in all directions. Orders, commands, decrees, instructions, internal normative acts are traditional means of managerial activity. However, management goals may be attained with the use of administrative measures as well as professional advices, consultations, professional conversation and collaboration, exchange of experience, involvement of employee into solving problems, etc. According to the process approach, CM is management in the form of consulting. This aspect of the CM sense is of considerable importance for studying intellectual organizations, because it is hard to encourage professionals to undertake effective creative activities in favor of a firm through orders and other administrative measures. Consequently, CM is management of a firm with the use of various forms and types of consulting and an instrument of managing movement of knowledge and information at an organization (KM);

- an object of management. CM encompasses a system of goals, principles, directions, measures, and instruments of managing consulting activity as a source of professional knowledge and information. According to this approach, CM is a component of KM.

CM is especially important for legal services business. Firstly, a legal services firm is a studying intellectual organization. Thus, consulting is one of the most important instruments of managing activity of its staff. Secondly, legal consulting is providing advices on particular fields of law that stipulates the necessity of application of a complex of managerial measures, which is aimed at providing their quality and efficiency. Thirdly, legal services firms and practicing lawyers are subjects of external consulting. Future consumers may involve their services through a mechanism of legal services market. In this aspect, CM is directed towards providing competitiveness of subject of legal services market. There are general and

special functions being inherent to CM of a firm, which consumes legal services. The general functions include planning, organizing, motivation, control of consulting activity. The special ones include the following functions:

a) the choice of a source of legal consultations (internal and external legal consulting, certain legal services firms or lawyers, etc.). An in-house lawyer is a firm employee, who, on the one hand, reduces firm expenses for gaining legal knowledge in comparison with payments for services of outsourcing lawyers and guarantees maintenance of confidentiality and, on the other hand, restrict independence and objectiveness in solving problems. An outsourcing lawyer (a legal services firm) is a subject of legal consulting, which is referred to as entrepreneurial activity on providing legal services in order to achieve a legal result and to earn profit. Independence of an external lawyer conduces to objective analyzing a problem. Experience of work with different customers provides the higher level of professional advices. However, the use of an outsourcing lawyer's services is related to risks of breach of confidentiality. Therefore, the choice of a channel of receiving legal services in each case should be based on analyzing expenses and benefits concerned with usage of services of in-house and outsourcing lawyers;

b) providing an optimal combination of in-house and outsourcing consulting. In-house and outsourcing consulting are complementary channels of obtaining professional legal assistance for solving problems of doing business. The most effective model of CM is a model based on a combination of market and internal channels of gaining legal knowledge;

c) development of effective relations between a consultant and a customer. Inseparability of a legal service from a lawyer (source) and a consumer (firm), who is a customer and a consumer of a service as well as its creator to some extent, is a legal service peculiarity. A firm collaborates with a lawyer at all stages of a consulting process. This fact stipulates the necessity of formation of effective relations between a consultant and a customer;

d) management of in-house legal consulting. Its main organizational form are as follows: implicit professional assistance as consulting, which is one of types of activity of firm specialists; a firm lawyer; a legal department as a functional unit of a firm; a legal service as a complex of legal units or executives. CM functions are as follows: selection of an organizational form of in-house lawyer and forming his identity; determination of an organizational and economic mechanism of in-house lawyer activity (a legal unit as responsibility centers – costs, profit, investments); estimation of results of internal consulting; establishment of internal prices for legal services; formation and management of functioning of internal market of legal services; management of quality of in-house legal consulting, enhancement of which is based on a system of corporate education, motivation of in-house lawyers and their information support. Selection of an organizational form of an inter-

nal lawyer is stipulated by numerous factors, which encompass a type, scale, and the structure of a business, length and a stage of a firm life cycle, firm's financial opportunities, challenges for leadership, the level of staff qualification, provision of a firm with intellectual resources, the degree of its innovative activity, the level of development of legal services market;

e) management of involvement of services provided by outsourcing lawyers. The main directions of CM are the following: selection of an outsourcing lawyer through a chain of consistent actions (search for information – analyzing information on an outsourcing lawyer – selection of a lawyer – the balance of expectations of a firm and a lawyer – forming mutual trust); selection of a model for legal consulting depending on determination of functions of a lawyer and a firm in a consulting process; establishment of a legal service price and a payment procedure; conclusion of an agreement on providing legal services; organizing work of an outsourcing lawyer in accordance with a selected model (adoption of necessary internal normative acts, building a staff team, which will collaborate with an outsourcing lawyer, indication of access to the knowledge database of a firm, etc.; support, control of execution and correction of a contract as needed; analyzing execution of a contract and acceptance of services; implementation of lawyer's advices into practice; management of post-contract relations with an outsourcing lawyer.

Thus, CM as management with the use of consultations and management of consulting activity is an important component of management. Firstly, an amount and the structure of demand and supply in a legal services market directly depend on development of CM at companies being real and potential customers of legal consulting. Secondly, effective CM of a legal services firm provides high quality and competitiveness of its services owing to managing movement of professional knowledge and information in the form of consulting and education.

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INSURANCE PROTECTION OF BUSINESS

The theoretical and methodological principles of forming and insurance protection of business development are grounded in the conditions of globalization. Although there is a wide range of scientific papers on insurance market issues, they