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BASIC STRATEGIES IN THE MANAGEMENT OF DEVELOPMENT OF THE ENTERPRISE

The nature and value of strategy was investigated on the basis of different approaches in the modern management of business entities, considered their classification, revealed the value of strategic planning as a tool for strategic management and financial aspects of the implementation of strategies, analyzed the basic steps of strategic management.

Keywords: business strategy, strategic management, basic strategy, strategy development, classification of strategies, stages of strategic management.

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Фурман Т. Базовые стратегии в управлении развитием предприятий. На основе различных подходов исследована сущность и значение стратегий в системе современного управления субъектами хозяйствования, рассмотрены их классификации, выявлено значение стратегического планирования как инструмента стратегического управления и финансового аспекта реализации стратегий, проанализированы основные этапы стратегического управления.

Ключевые слова: стратегия предприятия, стратегическое управление, базовые стратегии, стратегия развития, классификация стратегий, этапы стратегического управления.

Background. Market economy is characterized by accelerated pace of scientific and technological progress, dynamics of changes of external factors and related with it uncertainties of the market situation in the future, the high risk of commercial activity of enterprises and increased competition between them. The dependence of life of the enterprise from the effects of micro and macro factors determine the need for prognostic assessment of surrounding system and work in accordance with the results of the forecast. Under these conditions, there is a necessity for introduction of new approaches to management of entities, which would facilitate the development of their economic activities and improve the competitive position in the market in order for increasing their effectiveness.

The priority task of management of enterprise in market conditions is forecasting of condition, behavior of the environment subjects, forming relationships with them in the long run. Therefore, in the theory and practice of management is gaining popularity the concept of strategic management, which enables to make the assessment of future changes and directs activities of the company according to the results of the forecast. The instrument of this approach is strategic planning that comprises all the subsystems of the enterprise.

Analysis of recent research and publications. Formation and development of strategic management theory are associated with the names of such scholars as: D. Aaker [1], D. Akoff [2], I. Ansoff [3], B. Alstrend, Zh. Bover, P. Doil [4], Dzh. Evans, K. Endrius [5], V. Kinh, D. Kliland [6], F. Kotler [7], K. Kristensen, Dzh. Kuin, Dzh. Lempel, M. Mintsberh [8], M. Porter [9], A. Striklend, A. Tompson [10], A. Chandler [11] and others. In recent years, the same issues have been addressed by Ukrainian scholars: S. Aliexsieiev [12], O. Haidamaka, V. Herasymchuk, L. Hryhor'ieva [13], I. Denysiuk, L. Dovhan, A. Mishchenko, A. Nalyvaiko, V. Niemtsov, S. Oborska, V. Ponomarenko, N. Pryshchepa [14], I. Tiukha [15], Z. Shershnova and others.

However, blighty practice often ignores the principles of modern management. This is due to misunderstanding of the nature of many management strategies, their types and stages of strategic management.

The aim of article is to study the concept of the strategy of the enterprise, the classification of species, analysis of the stages of formation in terms of coordination of administrative actions with the main goal of the company.

Materials and methods. There are such research methods: systematic approach, analysis and synthesis, comparison, classification, classification and so on.

Results. Strategic planning in management practice has become widespread in the second half of the twentieth century. When the timely response of enterprise to unexpected changes in the business environment has become a necessary condition for their survival and achievement of commercial benefits. This type of management was formed mainly in corporate banking. Several large, mostly American multinational companies that face the problem of confrontation expansion of competitors started it in 1950–1960's. Now the strategic planning of the activities is used also on much smaller enterprises that seek to achieve the commercial success or to maintain the market position achieved in the long term.

Etymologically, the term "strategy" comes from the Greek *strategia* (*stratos* – army and *ago* – am). This concept is interpreted as "the art of large-scale operations, companies and the war in general, as well as training the armed forces for war" [16, p. 619]. The definition of "strategy" in terms of economics has been transformed with the changing external environment of the enterprise and the genesis of management theory. However, the strategy for managers has always been a tool of management of all levels of the company in order to obtain a certain result (profit maximization, satisfying the interests of owners, gaining competitive advantage, etc.).

The approaches to the definition of this concept allowed to distinguish four basic concepts: I – a strategy plan (model) to achieve the objectives (goals) [5; 10; 11]; II – a strategy as a principle (rule) business management to achieve the objectives [3]; III – the strategy as a combination of plans to achieve goals and principles of the entity (combination of I and II species strategies); IV – strategy as long-term prognosis.

Despite the multi variation of definitions and approaches to the concept of "enterprise strategy", in the interpretation of this definition there is much in common. According to scientists, strategy means achieving a certain goal, deleted, strategic goals. The instrument for achievement of this goal is the "action model", "comprehensive plan", "direction", "course of action". The second group of definitions defines the strategic management process without the necessity of building plans [14]. The determining of purpose of the activity through formulation of the strategy in form of strategic plans (which can be viewed as a strategic management tool) that covers all structural elements and aspects of the enterprise, is more appropriate. The development of strategies as strategic plans which are characterized as indicative opens more possibilities for control of implementation strategies. Process planning always precedes the process of identifying the factors influencing the activity and forecasting results.

Thus, *the strategy* is the process of identification of goals and development (planning) of activities of management of the company (in order to achieve these goals) by aligning its internal capacity of the environmental conditions in the future. The strategy identifies the possibility of adapting the enterprise to environmental factors (external) environment and their changes, it harmonizes the internal and external environment of the enterprise.

Recently, for gaining competitive advantage in the market and consequently for improving the effectiveness of the company was enough only adequately react to the changes that occurred in the internal and external environments. With the increasing complexity of the market situation and increased competition in order to achieve long-term success and sustainability of strategic enterprises a rapid response to changes in the environment is needed. The rate of this reaction is achieved by planning changes in the environment based on its prediction and adaptation of enterprises to these changes. Therefore, in the process of strategic management the attention of managers is transferred from the internal environment to business environment and from the coordination of internal factors to external factors.

So, strategic management means the development of plans of the functioning of enterprise on the basis of long-term forecasts of the market situation and potential of the company. Therefore, strategic planning is often identified with the prediction of activity that is not entirely accurate, because the prediction is just one of the functions of strategic management. The prediction of changes is necessary for understanding the prediction of changes and planning of promising possibilities of object. In addition, the strategy should include the activities of the enterprise to achieve strategic goals based on projected changes in the external and internal environments.

We can offer uniform policies of development for a group of companies that are organized together not only because of one activity, but have roughly the same financial and property capabilities. However, the development strategy for each subject, and (especially) the ways of its realization will depend on the capacity of enterprises. The practice of strategic management differ by strategies and a variety of different views on the process of their development, as a single universal strategy does not exist: the individuality and uniqueness of each company due to specific industries, especially the internal environment, opportunities, philosophy, management staff and its ability to highly profitable but risky decisions ethnic mentality and more. That is why every company has to produce its own strategy based on the goals, forecasts of the condition of the external and internal environment and it's potential. Only individuality strategies can add a competitive advantage and increase the possibility of adapting to the changing market environment.

Under market conditions, each company develops its own set of interrelated strategies that form a strategic portfolio that describes the entity vision of its place and role in the market. Furthermore, real, efficient strategy can combine the features of several basic strategies, which we can classify according to various criteria.

Thus, A. Thompson and A. Strickland shared strategy of enterprises on the basis of hierarchy: corporate; business; functional; OS [10, p. 73].

Corporate strategy is developed for all aspects of the enterprise as a whole, covering all areas of account management and levels of organizational hierarchy. The development of corporate strategy involves the

selection fields, improving performance in areas where already corporation; operates achieve synergistic effect of units of the firm, corporation reallocation of resources in the most promising field [10, p. 74–78; 15]. Corporate strategic plan for the company identifies ways of its development.

Business strategy, which implies the plan of management of individual enterprise areas (production of certain types of products, merchandise, some types of services, etc.) aimed at winning a strong long-term competitive position in the market. For entities that are engaged in one activity, corporate and business strategies are coincide [10, p. 78–82]. Most commercial enterprises engaged only in commercial activity, and the development of strategies begins with business strategy.

The aim of working of *functional strategy* is to support the business strategy of the enterprise and thus its competitiveness. This strategy is aimed at developing the necessary actions for ensuring the management of individual departments or functions of managing the business. Functional strategies is the background for implementation of business strategy for the company that is ensuring its implementation in strategic set [10, p. 82–83]. The main functional strategies are marketing, innovation, financial, social production strategy and more. The development of functional strategies facilitates the realization of strategic directions of the primary levels of government.

Operational strategies complement the strategic set, determine the actions of the management of organizational units and provide the implementation of operational objectives (financial, investment, marketing and pricing strategies, etc.) [10, p. 83–85].

Strategies can also be classified according to the stage of the life cycle of enterprise: the growth strategy is characteristic for strategy of germination and growth of the company; stabilization strategy – for the maturity of the company; reduction strategy – for aging stage company; restructuring strategy – for the termination of activity.

Leading expert in strategic management and competitive M. Porter proposes most strategies to form and implement into three approaches: a strategy for controlling costs; strategy of differentiation; strategy of focusing [9].

The first approach is associated with a reduction in costs (for commercial tend distribution costs). As a result, the company can achieve leadership by reducing the price of similar products and win more market share. This strategy is most effective in ultra-flexible demand on this product and when there are market enterprises competing with the like product when price reduction leads to a significant increasing of demand.

The second approach aims to supply goods more attractive to consumers than competitors' products. This can be achieved through high quality products, developed system of after-sales service, the principal novelty products, high level of customer service, company image or product.

These first two approaches usually provide strategy of reaching all or substantial market share.

The third approach is related to the choice of a particular market segment and with focusing efforts on it. It's easy to do when each segment identifies specific requirements for products. Working of strategies of focusing involves market segmentation and selection of individual segments (targeted at a specific group of consumers, range of products, territory), determining attitudes and desires of consumers, searching for better than competitors, methods which meet the demand by controlling costs or method of differentiation. Thus, the strategy of focusing somewhat synthesizes elements of the first two strategies. This type of strategy is widely used in small and medium business entities which have limited capacity and cannot fully implement the first two types of strategies.

In the process of differentiation of strategies on the basis of growth of the company they are divided into four basic types or standard strategies that are associated with a change in the state of one or more elements (product, market, industry, state enterprises within the industry, technology). This classification proposed by F. Kotler and includes strategies of concentrated, integrated, diversified growth and reduction strategy [7].

Strategy of concentrated growth is related to changes in the product and (or) with other constant three elements in market. Specific types of strategies of the first group of strategies are: strengthening market position (aimed at winning a position); market development (new markets); product development (search for new products).

Integrated growth strategy involves expansion by adding new structures to the company. There are two types of strategies: reverse vertical integration (aimed at acquiring or strengthening control over suppliers); vertical integration that goes forward (involves the acquisition or reinforcement of structures involved in sales of goods).

Diversified growth strategies are applied when the company cannot develop in this market segment. Among them are distinguished: centered strategy of diversification that is associated with the completion of market product range, similar to the current market; horizontal diversification strategy that is associated with the completion of the market with new and interesting for the consumer goods; conglomerate diversification strategy, which is determined by the completion of the range of products.

Reduction strategies include targeted reduction of the company. The following types of reduction strategies are used: liquidation (applies when the company cannot perform future activity); "Gathering of Harvest" (means rejecting a long-term view of the activity in favor of maximizing revenue in the short term); reduction (company close one subdivision); cost reduction (aimed at reducing costs).

On the basis of the activity of market the behavior of strategies can be divided into active and passive. *Active strategies* are characterized by constant expansion of the company, developing new products and actions ahead of the competition. This type of strategy is typical for strong, financially stable companies. *Passive strategies* are focusing on the concentration

of activities in the priority areas, the protection of an industry and the study of consumer demand.

According to degree of dependency strategies can be grouped into three classes: independent – aimed at reducing the influence of the environment through their own capabilities (aggressive competition, competitive appeasement, creating a positive image, political, legal, resource-oriented); cooperative – provides integration of different market subject in various forms (full cooperation, performance contracting, kooptuvannya, coalition); strategy of maneuvering – characterized by mobility of company relative to its traditional industries and markets (choice of areas, diversification). This classification of strategies is appropriate in conditions when activity of a company aimed at gaining competitive advantage.

There are other classifications of strategies that help in exploring strategic alternatives and choice.

Classification of strategies reflects different aspects of strategic management and theoretical approach to it, so it is not necessary to discriminate in favor of certain classification or classification sign, but they can be used to build an algorithm for constructing enterprise strategy from general to detailed. Each individual practical strategy has basic features of different strategies.

Any enterprise strategy is developed for a specific period during which it is implemented. This period is called strategic planning horizon or the horizon. The strategic horizon should be as full as possible, but each company is different and it depends on the internal and external conditions and goals. The more distant planning horizon, the less accurate can be estimates, and therefore targets of content are identifying key areas of the subject. "Planning describes the picture of the future, where events are coming with some sequence respectively clarity according whole plan, and remote – are drawn more or less vague" [17, p. 42]. In modern conditions of development of Ukraine strategic planning horizon should not be too long.

Marketplace is a multifactorial, multifaceted, phenomenon which is formed from a large number of factors that influence each other stochastically, and because its development is spontaneous. It may be unpredictable changes in the environment of the enterprise, which is an open system that continuously interacts with its elements. Analysis and evaluation of the environment is one of the conceptual task of strategic management. Therefore, any strategy should not be taken as prescriptive action plan. Development strategy may be adjusted for reflection of changes in market conditions. The market will profitable for those who responded quickly and adequately to changes in the environment. This proves that the livelihood of the company is the composition of long- and short-term phenomena.

According it, it is not advisable to build strategic plans in calendar format, so it is better to make strategic plans for change if necessary. Such amendments may change not only the content of strategic plans, but also the planning horizon.

During the evolution of strategic management famous researchers have proposed various approaches to the selection of models of strategic management. They differ, usually of varying sequence major stages of forming business strategy. These basic steps classically arranged to place in sequence:

- I – the mission statement of the organization (scope and strategic installations);
- II – setting organizational goals (tasks);
- III – the assessment and analysis of the environment and the forecasting of its development (external features);
- IV – examination of the strengths and weaknesses of positions (internal diagnostics);
- V – analysis of strategic alternatives;
- VI – the selection and construction of the strategy;
- VII – implementation of the strategy;
- VIII – evaluation strategy.

This sequence of stages of strategic management has disadvantages. First, choice of mission and goals is difficult to implement without an analysis of the environment in which it operates or plans to operate the company. Secondly, the system of goals depends on the capabilities of the company, its financial and economic status. Therefore, such a sequence admissible for businesses which formed to carry out a specific activity, as well as for existing businesses who wish to change or diversify activities and which have relevant resources.

In practice, the management of the sequence of stages of strategic management is often different. Analysis of the external environment of the enterprise is carried out continuously and systematically. The need for monitoring of environment determines that this process is difficult to identify in a separate step. Assessment and analysis of the environment of the enterprise permeates into all phases of strategic management.

The next step is analysis of existing enterprises performance, economic trends, identify weak and strong positions. The priority of this stage to define the strategic goals (and perhaps mission) because the system objectives for unprofitable, inefficient (which provide a cost recovery costs) and high-performance businesses will be different. The reconciliation of strong and weak positions of enterprise environmental factors is clearly position of the company allows on a matrix of strategies and provides an opportunity to set goals most adequately to the economic situation, and if necessary, correct them. Then the analysis of strategic alternatives and selection strategies makes. Rounding out the strategic management process stages strategy implementation and evaluation of its effectiveness and relevance to the management structure.

Thus, in order to find ways to increase revenues and profits, prevent dangerous changes in the business environment, rapid response to such changes, successful competition in possible crisis situations the enterprise

should monitor the status of internal and external environment in all phases of strategic management and continuous.

Usually the strategy is developed in a mixed form. In this case, it contains a heuristic form and quantitative indicators. Not always, such a mission can be defined and shown the figures. Usually, it is given in form of attributive language that reflects the purpose of the enterprise and its development potential. Indicators are also part of the strategy, describing the alleged administrative decisions or results in some stage of corporate development.

For implementation of the corporate (business) enterprise strategy were needed investment and financial resources and no strategy cannot be implemented in the financial vacuum. Development and implementation of working strategy requires the development of investment policy, through which the company sells its strategic plans.

Almost all decisions regarding business management, including development and implementation of policies related to the assessment and selection of funding alternatives, costs and revenues based on the time factor, the inflation process as strategic planning, as well as any other type of plan, largely attributed to financial decisions [18, p. 44]. But decisions on long-term goals and short-solving tasks will have financial implications. These effects need to forecast and plan. The conclusion of development of any plan company is financial analysis and financial plan construction.

Conclusion. So, the long-term stability and competitiveness of the enterprise provides a strategic approach to the management of that company provides rapid adaptation to external changes. The enterprise development strategy should reflect the interference of tactical and strategic objectives. During developing of strategies main attention should be focus on the analysis of the environment, prediction of its parameters in the future potential of the company, including financial component. This analysis should be continuous because strategic plan should have possibility of constant adjustment for reflection of changes in operating conditions as a tool for implementing the strategy.

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Фурман Т. Базові стратегії в управлінні розвитком підприємств.

Постановка проблеми. Першочерговим завданням менеджменту в ринкових умовах є передбачення поведінки середовища діяльності, формування довготривалих відносин з ним. Тому в теорії та практиці менеджмент стає популярною концепцією стратегічного управління, що здійснює оцінку майбутніх змін та спрямовує діяльність компанії залежно від результатів прогнозу.

Мета статті полягає у вивченні концепції бізнес-стратегії, класифікації видів, аналізі етапів формування взаємозв'язку між адміністративною діяльністю та головним завданням компанії.

Результати дослідження. Проаналізовано існуючі підходи цих стратегій, що визначають вимір цілей та розвитку (планування) для використання в управлінні підприємством (досягнення цих цілей) шляхом об'єднання внутрішніх можливостей підприємства в майбутньому. Стратегія визначає можливість адаптації підприємства до навколишніх факторів (зовнішніх) середовища та його змін.

За нормальних ринкових умов кожна компанія розробляє власний набір взаємопов'язаних стратегій, що формують стратегічне портфоліо, яке характеризує бачення підприємством свого місця та ролі в системі бізнесу. Дієва стратегія може поєднувати риси декількох основних стратегій. Класифікація стратегій відображає різні аспекти стратегічного менеджменту та теоретичного підходу до нього, тому немає потреби вирізняти якусь окрему стратегію чи класифікаційний показник, оскільки їх можна використати для створення алгоритму побудови бізнес-стратегії від загального до детального. Кожна індивідуальна практична стратегія поєднує риси різноманітних базових стратегій.

Висновки. Довготривала стабільність та конкурентоспроможність забезпечують стратегічний підхід до управління компанією, тобто швидку адаптацію підприємства до змін в бізнес-середовищі. Стратегія розвитку повинна відображати взаємозв'язок між тактичними та стратегічними цілями, які слугують знаряддям для впровадження стратегії. Аналіз діяльності підприємства слід проводити постійно для відображення змін в операційній діяльності з метою її коректування.

Ключові слова: стратегія підприємства, стратегічний менеджмент, базова стратегія, стратегічний розвиток, класифікаційні стратегії, етапи стратегічного менеджменту.