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DEVELOPMENT OF BUSINESS CORPORATE STRATEGIES

Abstract. *We have conducted the comparative analysis of the concepts "strategy" and "competitive strategy"; determined the opportunities to develop a competitive strategy of the enterprise using the example of LLC "Silpo"; made expert appraisal of qualitative indicators of competitiveness of supermarkets located in the city of Kiev, and analyzed the mechanism of formation and a choice of the strategic objectives of the trade enterprise. On the basis of the prepared matrix of SWOT-analysis of LLC "Silpo-Food" we have proposed the competitive strategy for the given enterprise.*

Keywords: *strategy; strategic management; competitive strategy; objectives; competitiveness; trade enterprise.*

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ВИКОРИСТАННЯ КОРПОРАТИВНОЇ СТРАТЕГІЇ ДЛЯ РОЗВИТКУ ПІДПРИЄМСТВА

Анотація. *Проведено порівняльний аналіз змісту понять «стратегія» та «конкурентна стратегія»; визначено можливості розробки конкурентної стратегії підприємства на прикладі ТОВ «Сільпо»; складено експертні оцінки якісних показників конкурентоспроможності супермаркетів міста Києва, а також проаналізовано механізм формування і вибору стратегічних цілей торговельного підприємства. На основі складеної матриці SWOT-аналізу ТОВ «Сільпо-Фуд» запропоновано конкурентну стратегію для даного підприємства.*

Ключові слова: *стратегія; стратегічне управління; конкурентна стратегія; цілі; конкурентоспроможність; торговельне підприємство.*

Problem statement. Profound changes in the country's economy have caused substantive changes in the business environment of all sectors of the economy and trade industry is not an exception. Taking into consideration the impact of trade industry performance on the competitiveness of the national economy, we need to conduct in-depth theoretical study of issues related to effective strategic management of trade enterprises.

At present time, there is an expansion of transnational network trading companies in the domestic market, such as METRO Cash & Carry GmbH, Auchan, IKEA, Ramenka, which have vast experience in sales management at the world markets. Taking into account the attractiveness of the Ukrainian market to foreign retail distribution networks, Ukrainian trade enterprises need to develop innovative strategies to improve their performance in order to survive in this competitive struggle. Nowadays strategic management of trade enterprises is a process of active adaptation to a set of market factors: changes in consumer demand, innovation processes, development of communications and business infrastructure, which focus on modern retail in order to implement the marketing concept, which gives a special sound to retail strategies. Under the conditions of market saturation with goods, the role and importance of marketing management of the trade enterprise and the introduction of advanced trade technologies in practice is growing.

A review of recent papers and unresolved part of problem. The stated problems began to be considered in the economics literature only in recent years. Many scientific and theoretical works of domestic experts in the field of marketing and management, for example, O. Kanishchenko [1] have been published on the issue of developing marketing strategies and their impact on strengthening the competitiveness of the enterprise. Issues of competition and competitiveness have been thoroughly studied in the papers of foreign authors: B. Karloff [2],

G.L. Azoev [3] and others. Issues of marketing strategies for retail trade development are partially set forth in the works of J.M. Evans [4]. Theorists give various recommendations on the sequence of development stages of the marketing complex at the enterprise.

Specific features of marketing complex strategy has been considered by G.L. Bagiev [5], Annie and Loicn Troadec [6], L.Y. Hermogenov [7] and others. However, a comprehensive approach to the development of competitive strategies based on the concept of marketing in the activities of trade enterprises is left aside. Thus, the relevance of the research topic is conditional upon the importance of development strategies based on the concept of marketing as a factor and conditions for increasing the competitiveness of Ukrainian trade enterprises, the lack of a complete holistic methodological framework and methods for solving this problem.

Research objective is to study the specific features of competitive strategy development of trade enterprise.

Statement of basic materials. The main objective of strategic management is not so much the accumulation of tangible and intangible assets, as their concentration on the interrelated activity areas of the company. Under present-day conditions, the one who is considered to be competitive is who has a quick response to the changes in circumstances, is not afraid of taking a risk, involved in innovation activity and adopts new technical and economic solutions. Analyzing the role of these factors and, in particular, their impact on the manager's behaviour, researchers determine such innovative areas of strategic management as: traditional, where the company does not only seek to improve the quality of output products; opportunistic, where the company is engaged with the search for a product that does not require large costs for research and development, but with which it is exclusively presented on the market for some time; imitation – new technology is purchased under licenses; defense – the company conducts research and development in order to keep up with competitors in engineering terms; conditional, where large corporations transfer the method of manufacturing to produce new goods to small companies; offensive, which represents the company's desire for superiority on the market. The choice of management model, the area of innovation activity – this is the choice of management strategy for a particular period of company operation and development.

Qualitative indicators such as: variety in the range of goods; the share of goods with "market novelty"; price of goods; additional services; location of the enterprise; quality of customer service; packaging; customer promotion; advertising costs; provision of incentives for the employees; goodwill of the enterprise most certainly show the competitiveness of the enterprise. One of the most effective tools for developing a competitive strategy is to determine the competitive advantages of the enterprise, which will be considered using the example of LLC "Silpo".

The stores "Silpo" differ from others in the following way: a wide range of goods, including exotic goods for the Ukrainian market; the pricing strategy, particularly, the specified network adheres to the strategy of setting prices in accordance with its costs; the network provides users with additional services, which positively distinguishes it among its competitors, hires qualified employees and ensures that they properly perform their duties through bonuses and incentives; provides high quality customer service; provides customer promotion by means of discount cards and regular promotions; advertises in the media on a regular basis.

Based on the results of the questionnaire of consumers conducted by the company experts, it was found that the goodwill of the network "Silpo" makes 10 points according to a ten-point scale in comparison with other competitors who scored no more than 9 points.

Comparing the main quality indicators that determine the competitiveness of the company under study with the same indicators of competitors, we can make a conclusion that

with a small margin Silpo ranks first close second among such close competitors as Big Pocket, Eco-Market and Billa.

Besides, we have studied 4 trade networks engaged in food trade in Kyiv in the format of hypermarket, supermarket, store near the house. We have obtained questionnaires from 244 managers who in real terms set the strategic objectives of the enterprises under study. Managers were offered options for answering questions, which were appraised by points, after which the number of points obtained for each group of questions and the total number of points was calculated. Interpreted questionnaire results of network top-managers concerning the justification, formation and selection of strategic objectives are shown in Table 1.

Table 1

Interpreted questionnaire results of network top-managers concerning the justification, formation and selection of strategic objectives

Enterprise	Results of questionnaire			
	Quality of environmental analysis, points	Quality of strategic objective formation, points	Quality of strategic objective selection, points	Quality of using the components of strategic potential for goal formation, points
PJSC "Ashan Ukraine Hypermarket"	2–medium	3–high	2– medium	2– medium
CIG "Fozzy Group "Silpo"	2– medium	2– medium	2– medium	1–low
PJSC "Furshet"	2– medium	2– medium	2– medium	1–low
LLC "ATB-market"	2– medium	2– medium	2– medium	2– medium

Analyzing Table 1 we can state the following: first of all, most of trade networks under study analyzes only consumers and competitors, in some cases – suppliers, while the analysis is carried out preferentially for the previous periods using subjective methods, without taking into account macro-environmental factors, analysis results are basically presented in the form of strategic predictions; secondly, enterprises form only a corporate objective for the next five years and only financial goals for the next year, in this case they are formed only in the form of quantitative parameters of financial indicators; thirdly, a set of alternatives to strategic objectives is not formed, as a rule, there are no criteria for choosing strategic objectives other than achievability and coherence, decisions on setting strategic objectives are often made individually on the basis of only intuition and experience; fourth, enterprises do not calculate the quantitative values of component potentials of external strategic potential, their desired and achievable values, as well as they do not take into consideration the external potential as a whole when setting strategic objectives.

Using a questionnaire method we have studied the stages of formation and selection of external strategic objectives at food retail enterprises in Kyiv and the said study showed that the quality of the processes of justification, formation and selection of strategic objectives in the enterprises under study need improvement, as most of the trade networks under study analyzes only consumers and competitors, in some cases – suppliers, while the analysis is carried out preferentially for the previous periods using subjective methods, without taking into account macro-environmental factors, analysis results are basically presented in the form of strategic predictions.

There are the ways to improve the competitive strategy of LLC "Silpo-Food" with regard to the competitors. In order to improve the commodity research and commercial

activity in the supermarket network "Silpo", it is necessary to: 1) maintain constant contact with the consumers, by means of pre-developed questionnaires with few questions or by means of direct questioning. The received information will make it possible to adjust sales organization of goods in accordance with the needs of consumers and as a result – to increase profit; 2) create a greater variety of products of their own brands at affordable prices and the volume of their advertising among the consumers; 3) to expand its own production in the departments of cookery, confectionery, bakeries and consider the possibility of creating workshops for the manufacture of other products; 4) broaden advertising of both the supermarket and its products, because it is the most effective means of influencing the consumers, using all available media, both digital and publication.

By means of SWOT-analysis we will perform diagnosis for the factors of internal and external environment of financial-economic activity of LLC "Silpo-Food" (Table 2).

Table 2

Matrix of SWOT-analysis of LLC "Silpo-Food"

Factors / indicators	The state of environment	
The state of internal environment	<p>Possibilities:</p> <ol style="list-style-type: none"> 1. Transition to more effective strategies. 2. Improving the efficiency of economic activity at the expense of the borrowed funds. 3. Raising borrowed capital. 4. Establishing business relations with foreign companies 	<p>Threats:</p> <ol style="list-style-type: none"> 1. Unstable state of the economics. 2. Inability or lack of governmental measures for the development of trade industry. 3. Decrease in the income level of the population. 4. Inability of debt repayment according to all obligations. 5. Low profitability of sales of works and services. 6. High cost of enterprise services.
<p>Strengths:</p> <ol style="list-style-type: none"> 1. Recognition of the organization is a positive goodwill. 2. Qualified staff. 3. Vast experience of performance in the market. 4. A considerable range of goods produced. 5. Large volumes of production. 6. Products are mainly competitive along with the products of developed countries 	<ol style="list-style-type: none"> 1. Retraining and advanced training without discontinuing work. 2. Hourly wages. 3. Access to the bases of legislation and the possibility to monitor the changes in it in a timely manner 	<ol style="list-style-type: none"> 1. Possible career growth. 2. Introduction of additional benefits for years of service. 3. Improving working conditions for the company employees. 4. Application of new equipment for automatic production. 5. Introduction of the latest technologies
<p>Weaknesses:</p> <ol style="list-style-type: none"> 1. Lack of circulating assets. 2. Lack of sufficient automation of labor-intensive processes. 3. The need for knowledge of related professions. 4. Outdated technological equipment. 	<ol style="list-style-type: none"> 1. Attracting new investors. 2. Search for additional suppliers for the company. 3. Review of company internal accounting, introduction of additional control points for review of reports on activities and volumes of products. 	<ol style="list-style-type: none"> 1. To consider more thoroughly the indicators of company performance in the form of reports. 2. To adhere to raising the level of quality indicators of sold products. 3. To maintain additional reserves in case of increase in tax rates in the state

Based on the analysis data given in Table 2, it was found that the performance of LLC "Silpo-Food", like most trade enterprises is in a very difficult situation. The main critical threats at the enterprise are outdated technological equipment, low control of financial statements from activities, low profitability of sales of works and services. Therefore, the formation and further implementation of anti-crisis growth strategies should be carried out at the enterprises to overcome those crisis phenomena that occur at such enterprises. Anti-crisis growth strategies are used if their application can increase the volume of sales of the organization, and the stabilization strategy - to stop its decline.

Conclusions and recommendations. With reference to the conducted analysis, it may be noted that by virtue of strengths and opportunities, the supermarket can reduce the negative impact of threats and strengthen its weaknesses and by so doing bring trade to a more competitive level. In general, the reasons of the company crisis are not only the impact of external factors, but also the state of management of economic and financial activities of business entities. This requires constant diagnosis and implementation of special anti-crisis measures into the system of management, as a guarantee of successful operation of enterprises. Consequently, it is proposed to implement an anti-crisis strategy of enterprise growth, and therefore it is necessary to focus on overcoming the weaknesses in order to rely on the opportunities in the future and bring the company to the highest levels due to its advantages and strengths. However, at present time it is necessary to minimize the causes of the crisis and standstill in development.

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