

## СТРАТЕГІЧНЕ УПРАВЛІННЯ – ГОЛОВНИЙ ЧИННИК ФУНКЦІОНУВАННЯ СУБ'ЄКТА ГОСПОДАРЮВАННЯ

*Досліджені умови діяльності підприємств, що поділяються від рівня їх розвитку. Визначено, що періодичне коригування запланованої стратегії не завжди може вирішити завдання відповідно до умов ринку. Визначено, що залежно від умов комерційної діяльності кожне підприємство використовує прийнятну теорію управління. До найбільш прогресивніших було віднесено теорію стратегічного управління з допомогою якої ймовірно отримання прибутку, а також можливості його збільшення, що особливо є актуальним за умов ринкової конкуренції. Обґрунтована роль стратегічного управління як одного з головних чинників функціонування підприємства.*

*Ключові слова: стратегічне управління, ринкова орієнтація, реалізація стратегії, оперативний та стратегічний бюджети, управлінська концепція, управлінські рішення.*

### STRATEGIC MANAGEMENT IS THE MAIN FACTOR OF LEGAL ENTITY'S ACTIVITIES

*Abstract – Problems of economic development of Ukraine could only be solved on the basis of innovative management approaches. In the unstable times of transition period in Ukraine the main goal is to be adapted to new business management processes and the gradual mastery of strategic management methods. Strategic planning based on identified emergencies, opportunities and threats, takes into account the position of competitiveness, the feasibility of diversification and so on. In general, the strategy may be perceived as a generalized model of behavior focused on achieving goals through resource allocation and coordination.*

*Key words: strategic management, market orientation, strategy implementation operational and strategic budgets, management decision, management concept.*

**Problem setting.** Problems of economic development of Ukraine could only be solved on the basis of innovative management approaches. In the unstable times of transition period in Ukraine the main goal is to be adapted to new business management processes and the gradual mastery of strategic management methods. Strategic planning based on identified emergencies, opportunities and threats, takes into account the position of competitiveness, the feasibility of diversification and so on. In general, the strategy may be perceived as a generalized model of behavior focused on achieving goals through resource allocation and coordination. It should be noted that the best plans remain as useless hard copy document, if there are no significant efforts to its implementation [6, p. 23].

The analysis of recent research and publication of research on the nature of strategic management is dedicated to works of local and foreign scientists in economic such as Ansoff I. and [2], Altshuler I.G. [5], Strickland A.J., Thompson A.A. [4], Pisarevskii I.M., Pokolodna M.N., Petrov P.B., Henserevskyy I.M. [1] and others.

However, despite the large number of papers devoted to this topic is not the only approach to an integrated enterprise, which allows you to set goals and compare them with the potential in line with the strategy implementation.

The aim of the paper is to study the role of Strategy Management as one of the main factors of the enterprise.

**Article body:** Strategic management is based on the studying of relationships that can be described by a system of 'enterprise environment'.

Most experts today consider an enterprise in accordance with existing management concepts as an open system that continuously interacts with specific elements of the environment: cooperation with other legal entities, banks and organizations that belong to the social, political and economic institutions of the state, local and other scales and allows them to maintain a rather stable position, to survive in an environment that is constantly changing.

Concept of existence and development of enterprises in the environment using different approaches and models formed on the basis of current theories of management, which in turn allocate management activities as an essential element in decision-making process. Noteworthy view Pisarevsky I., Tishchenko A.M. and others who believe that [1, pp.7–10], depending on the development of the commercial legal entity activities meet certain theory of strategic management including:

– commodity market orientation is characterized by the desire to improve the quality of goods without serious consideration of the needs, tastes and desires of customers. With these conditions, and decisions are made as a basis for budgetary control based on amendments to the scope and structure of revenues, costs of production and distribution depending on the current market situation. The concept of budgetary control is the concept of general invariance of the basic conditions and patterns in the market. Adjustment of activities carried out from time to time if there is a need;

– sales orientation is characterized by the provision of maximizing sales through advertising and other methods to influence the purchaser in order to force it to carry out the purchase. With such an orientation it is used long-term planning that is based on the notion of software to predict the long-term growth performance of major companies. The planning process involves the determination of long-term changes in sales volumes, cost levels, productivity and

other indicators according to their experience and current trends that will be stored for a long time. Long-term planning of production activity adapts to changes in the market that have an impact on the commercial activity of the company over the next 2–10 years;

– market orientation of the company provides the highest quality selection of products that are most in demand and ensure maximum sales of these products. In such cases we use the strategic planning.

– strategic planning makes significant adjustments into management techniques rejecting the possibility of management of the Company based on the extrapolation of past trends. There is a need to make strategic adjustments to their tasks in accordance with changes on the market. The above mentioned management concept focuses on market conditions, especially in terms of competition and marketing management as the basic criterion. It should be noted that the outlined concept approaches to marketing, but it only takes into account the market conditions as factors of random deviations from development strategy and strategic plan related to such changes, but does not include activities that are able influence the market situation dramatically.

Periodic adjustments to the proposed strategy can solve the problem according to the market conditions of production and marketing activities of enterprises.

Depending on the business, each company uses appropriate management theory of the most progressive strategic management. The global business practices show that most companies that have achieved significant business results, had implemented strategic management system.

Strategic management system – an implementation of the concept, which combines targeted and integrated approaches to the enterprise that provides the ability to set goals, comparing them with existing capabilities (potential) of businesses and bring them into compliance through the development and implementation of strategies systems ('strategic set').

Characteristics of strategic management of the company depends on the specific interaction of factors such as:

- field affiliation;
- the size of the company (according to the branch features);
- the type of production, the level of specialization, concentration and cooperation;
- characteristics of productive capacity;
- presence (absence) of scientific and technical potential;
- the level of government;
- the level of personnel skills and so on.

Using the methodology of strategic planning and general management in particular creates a balance between short-term and long-term profitability.

According to Kwasny L.G. [3, p. 15] who considers a balance of coordination within the company, in which capacity, financial and marketing resources, enterprises can easily be reallocated between industries. All this is provided on the basis of rational use of resources, and depends on the capabilities of the equipment, facilities and levels of stocks. In this case, for each production can determine the share of the profits, the share sale, the share of the profit share expenses.

It is also appropriate to consider the impact factors of instability, as well as an important principle of global strategic planning methodology – the principle of efficiency is based on intra consistency of all components of the strategic plan, the timely transfer targets all executive teams and production units.

More and more domestic companies are based on the international experience of using theories of strategic management, but the development admitted by Ansoff [2, p. 339–350] on the separation of enterprise and skills development in this direction today could not find a proper application.

According to Ansoff's developments in today's market conditions, which are constantly developing in rapid pace, companies find out conflict of targeted abilities. Trusted for each company there are two faculties: business and competitive ones. At the same competitive environment and enterprise unstable features are usually different and have different levels. Historical development was based on the fact that entrepreneurial ability, the ability to make a profit was primary exists within enterprises considered as a unique one, and with the development of various sectors of activity and the number of firms in them, entrepreneurial ability reduces need for increased acquisition of competitive capabilities. That's the focus of the strategic problems appeared gradually as the of conflict skills. In the competition of two abilities, the one always begins to dominate, suppressing another.

There are three ways to resolve the conflict:

1. Allow one the ability to dominate over the other;
2. Construct high capability;
3. Ensure productive coexistence of both abilities.

The following table outlines the conditions under which each of these abilities can give a positive result, which will allow a profit consistently.

As can be seen from the table, selection of the one of the options is due, on the one hand, the intensity and nature of competition, and on the other hand - the durability of profit potential (measured duration of the life cycle and technology). The average capacity is most appropriate in circumstances where the company is not committed to aggressive competition policy.

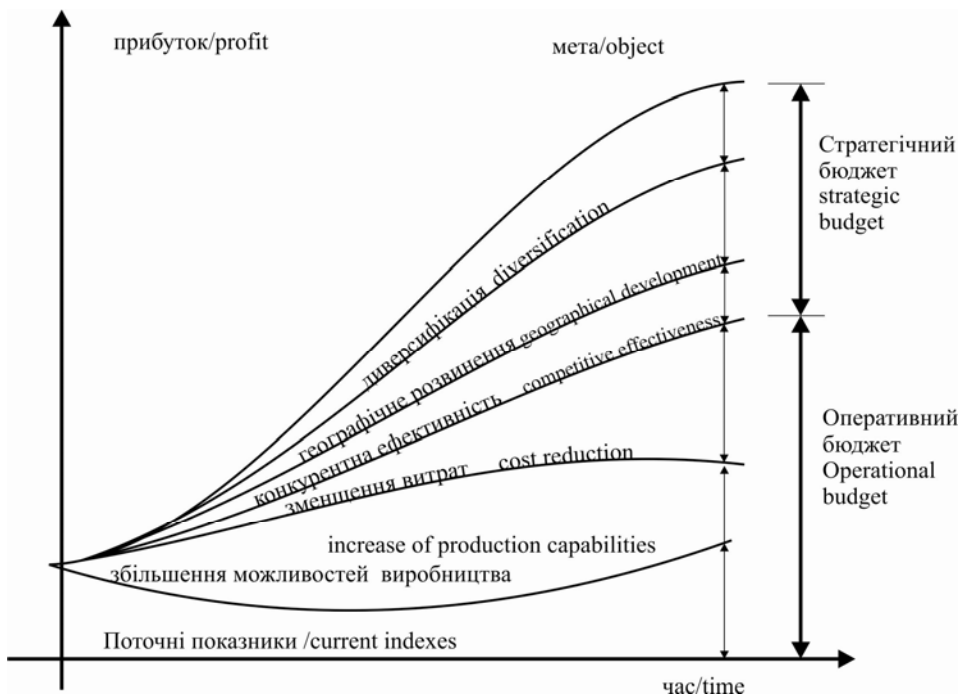
**Terms of different ability success [2, p. 343]**

Terms success		
Facility combination	Competitiveness	Productive/technology service live duration
Competitive ability is dominated	Intense price competition	Long term
Entrepreneurial capacity is dominated	The price is sensitive for cut edges technologies	Short term
Medium ability	Competitiveness not intensiveness	Long term
Two abilities	Intense price competition	Short term

With the development of business, companies had to develop two skills. Doing dual capacity creates two problems:

1. Development planning deficit skills.
2. Ensure of effective co-existence of entrepreneurial and competitive ability.

Effective means of reducing the impact on the ability of one another is a division of the budget on two parts: strategic and operational budgets are presented in Figure 1.



**Fig. 1. Double Budget [2, p. 344]**

As shown in Fig. 1 budget is further subdivided by the types of activity, each of which brings a certain profit.

Double budget has the following advantages:

1. Resources entrepreneurship grounded and not distracted by operational needs.
2. Division of the core budget balances and short- term investments.
- 3 Able Graphic representation helps to assess the correctness of the section by means of different types of work. If the graphics shows how much money is allocated for each budget category is likely determine the effectiveness of investments quickly.
4. Graph allows comparing the time it takes to get the effect of the cost for each type of work.

Double the budget is not contrary to existing organizational structures, so it is relatively easy to implement. At the same time, management may meet various difficulties. Although the dual budget also provides funding for strategic activity, but it ensures that operational issues management will find enough time and will desire to implement the strategic issues of the budget. In other words, the introduction of double budget – one of the conditions for a balanced approach to operational and strategic activities.

On liability and performers, these issues to some extent addressed in [4, pp. 33–42] academic economists such as Thompson, who consider drastic changes in strategy can usually affect the activity of the subject entity adversely, because workers will not have time to assimilate to changes. It is possible to achieve great success, improving performance of existing strategies. Insistence on improvement of STRATEGY is primarily a prerequisite for its successful implementation. If we take as a basis the classical organizational structure of the company, the CEO is the most influential and responsible manager of strategy. The CEO provides the functions of the main director of tasks Deve-

loper goals and determining strategies and ways to achieve it. The issues that the CEO considers relevant, are relevant to the company. The Vice-President or the Production Director's deputy, the ones of marketing, finance and other functional managers are also responsible for the development and implementation of strategy. Each of them is responsible for their area of activity with subordinate department and managers.

Managerial work, by definition and implementation of the strategy is likely the rule than the exception. Activities to create and implement strategies effectively sooner or later affect any administrative work. Strategic management is the foundation of the management company, not just a matter of which deals with higher link management activities. The possibility of implementing strategic decisions, such as the introduction of double budget relies on higher command levels, but the conditions for its establishment and operation depend on lower-level managers if it functions well organized work, the availability of qualified personnel.

We agree with Altshuler I.G. [5, p. 6–8], that strategy – a view from the present to the future. Strategic approach – in converting any changes in positive opportunities and their use, a plan in which no dogma, and the system of work organization, which is inherent in the adaptation of the environment. Given the development of the subject of entrepreneurship, the head is often a “squirrel in a wheel” when he “sold” the results of threat and hope everyone – potential and existing customers, competitors, staff, community, partners, owners, and with the resources – limited.

**Summary.** Activity of each company is related to the conditions in which it operates, it depends on their development. Periodic adjustments to the proposed strategy cannot always solve the problem according to market conditions.

At the same time it should be noted that depending on the business, each company uses reasonable control theory. The most progressive include strategic management theory by which the probable profits and the possibility of its increase, which is especially true in a market competition.

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