

ТРАНСФОРМАЦІЯ ТА РОЗВИТОК ЕКОНОМІЧНИХ СИСТЕМ

TRANSFORMATION AND ECONOMIC SYSTEMS DEVELOPMENT

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INSTITUTIONAL INFLUENCE ON THE INNOVATIVE DEVELOPMENT OF BUILDING SECTOR

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Семенов В.Ф., Чекулаева О.Д. Институційний вплив на інноваційний розвиток будівельної сфери.

У статті обґрунтовано необхідність інституційного регулювання інноваційного розвитку будівельної сфери, визначені продуктивні, виробничі та технологічні особливості останньої. Показані інституції безпосередньої та опосередкованої участі у регулюванні інноваційного розвитку будівництва. Запропоновано поліпшення інституційного регулювання інноваційного розвитку будівельної сфери шляхом вживання заходів державно-приватного партнерства.

Ключові слова: інноваційний розвиток, будівельна сфера, інституційний вплив

Семенов В.Ф., Чекулаева Е.Д. Институциональное влияние на инновационное развитие строительной сферы.

В статье обосновано необходимость институционального регулирования строительной сферы, определены ее продуктивные, производственные и технологические особенности. Показаны институции непосредственной и опосредованной участия в регулировании инновационного развития строительства. Предложено улучшение институционального регулирования инновационного развития строительной сферы путем принятия мер государственно-частного партнерства.

Ключевые слова: инновационное развитие, строительная сфера, институциональное влияние

Semenov V.F. Chekulayeva O.D. Institutional influence on the innovative development of building sector.

The article substantiated to use the term building industry, defined its products, industrial and technological features. Designated institutions directly and indirectly involved in the regulation of innovative construction. Proposed improvement of institutional regulation of innovative building sector through measures of public-private partnership.

Keywords: innovation development, building industry, institutional influence

The presence of institutes and mechanisms of institutional influence to the innovation markets allows drawing a conclusion about creation certain terms for innovative development of national economy spheres, including building sphere in Ukraine.

The complex of macroeconomic changes and crisis phenomena in an economy that are the characteristic for Ukraine determine complication the socio-economic processes motion and influence to building sphere and organizational forms of management development. Realization economic reforms' problems were reflected on a contradictory economic situation, that is characterized by absence the stable socio-economic increase, presence of structural disproportion, intensifying of social, economic and ecological problems.

Among reasons of economic crisis it is distinguished grant character to the budget, insufficient financing of the government programs and budgetary sphere, falling of demand on many types of products, low level of consumers' solvency and also saturation the imported commodities market [1].

In this case the primary objective of government politic must be innovative development, increasing of efficiency and competitiveness of building enterprises on foreign and internal markets. Motive forces of progress are concentrated exactly in innovative development but scientific going near innovative activity in the building sphere of national economy, while does not yet have the generally accepted looks, and quicker characterized by some conceptual scopes development and deepening of existent knowledge last in that.

In particular, it is suggested to examine the systems of innovative development in the process of transition in a dynamics, where a transition is understood as a process of gradual transformation one complex of institutes to another, as a process of object

changing, conception or system from one state to other, when more attention we should follow to already existent institutes and structures less – to the quality changes in a structure and mutual relations between organizations.

In Ukraine the institutes of innovative development adjusting of building sphere are formed and operate on an improper level, institutional system is weak, its elements are functioned, for example, higher educational establishments, academic and branch scientific structures, administrative structures both in the central public organs and in regions. There is a problem that these elements are not organized by system, confined modern tool of co-operation and do not provide effectiveness. In Ukraine, though slowly but the new elements of difficult case innovative development model are formed on different hierarchical levels [2].

Analyze of researches and publications

Both domestic and foreign scientists are going for problems' developing of using in companies the strategic planning. The most significant of research papers: O.A. Bogomolov, L.C. Balabanov, V.S. Ponomarenko, O.M. Yastremsky, R. Ackoff, D. Hussey, G. Mcburg, B. Karlof, etc.

The aim of the study is the revelation of the theoretical aspects of using the strategic planning and its basic techniques. The goal is to study methods of strategic planning in the organization.

Exposition of basic material of research

Strategic planning is the process of managerial decision-making regarding strategic foresight, adaptation of the company to the external environment and the allocation of resources. Strategic planning is the process of identifying the main goals of the organization, needed resources to achieve them and policies for the acquisition and use of these

resources. Strategic planning provides an opportunity to test the values of the organization, its current status and the environment, factors associated with achieving the desired future. Needs in strategic planning are not for those organizations that exist in a static world, which is absurd. Because our environment is constantly changing in all aspects of our lives – demographic, economic, cultural, etc. Thus strategic planning is a reaction and a process of adaptation to changes, as well as a means of creating the organization's future in the context of these changes. This is a major challenge for all organizations of different sizes and types. It is the most effective instrument for development responsibility and competence of the personnel at the same time. In the end, this is the basic prerequisite for the successful operation of any group of people seeking to achieve common organizational goals [2].

T.M. Sorochan [3] notes that strategic planning is the process of providing direction and content for daily activities. V.V. Glushchenko [4] notes that strategic planning is one of the main functions of strategic management. It is the process of managerial decision-making regarding strategic foresight (strategies), distribution of resources, adaptation of the company to the external environment, internal organization. Strategic planning provides the basis for all management decisions, functions, organization, motivation and control, focused on the development of strategic plans. The strategic planning process provides the basis for management members of the organization.

Implementation and application of strategic planning includes the following components: tools, stages, techniques, and exactly the strategic planning process. In turn present the instruments of strategic planning on fig. 1.

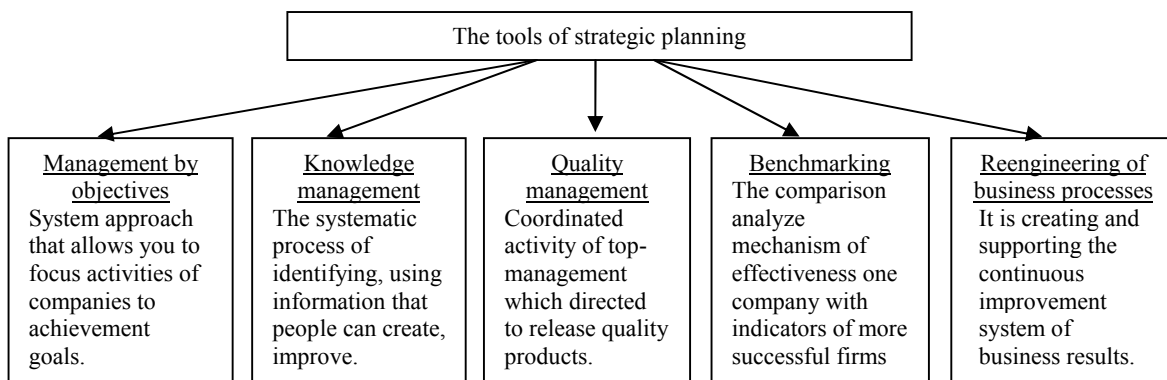


Fig. 1. The tools of strategic planning [5]

In turn the strategic planning process as a specific type of activity consists of several iterative stages:

- the initiation and coordination of the strategic planning process;
- the definition of official powers and duties of the organization;

- the mission statement and values of the organization;
- the analysis of the external and internal environment of the organization;
- the definition of effective strategic vision for the organization;

- the developing an effective implementation plan, evaluation the strategy;
- the strategic planning process [6].

M.D. Vinogradsky [7] notes that strategic planning is defined as the managerial process of creating and maintaining the strategic fit between the goals of the company, its potential and opportunities in marketing. It is based on a clearly formulated program statement of the company, definition the co-goals and tasks, healthy business portfolio and growth strategy.

Features of strategic planning on companies are choosing the actual methods of planning. The methodology of strategic planning is the particular way, technique of solve any problem of planning. In scientific literature there are 2 groups of techniques of strategic planning, which differ from each other. Suppose in fig. 2 the first group of strategic planning methods [8].

In contrast to the presented in fig. 2 methodologies in international practice there is a second group of matrix and portfolio techniques of strategic planning: Boston consulting group matrix (matrix BCG), the "attractiveness-competitive", the Arthur D. Little matrix (ADL/LC). Also in strategic planning we use a variety of techniques for strategic analysis, the main of which is the SWOT analysis.

Matrix portfolio analysis BCG, one of the most famous and simple, designed in the 60-ies of XX century, the Boston consulting group. It considers only two factors: relative market share and market growth rate. The BCG matrix defines four basic positions in which there may be businesses that have been recognized marketing names: "question marks", "stars", "cash cow", "dog" (fig. 3) [10, 11]. Matrix MC Kinsey is a multi-factorial matrix. It was proposed by advisory campaign "McKinsey" and the General Electric Company in the United States (fig. 4).

Basically these matrixes are based on a pair of strategically important variables such as market size, the growth rate of the industry, competitive status. In contrast to the two-factor BCG matrix, the matrix "MC-Kinsey/DE" is more detailed version and already multi-factorial model. Matrix "MC-Kinsey/DE" reflects a more flexible approach to strategy formation. For example, if the competitive status of the company is weak and the market forecasts do not include rapid growth, it will not mean that this activity is necessary to leave: it may be happen that risk will decrease but company activity's efficiency will increase to another, more promising sphere, then there will appear the so-called synergistic effect [14].

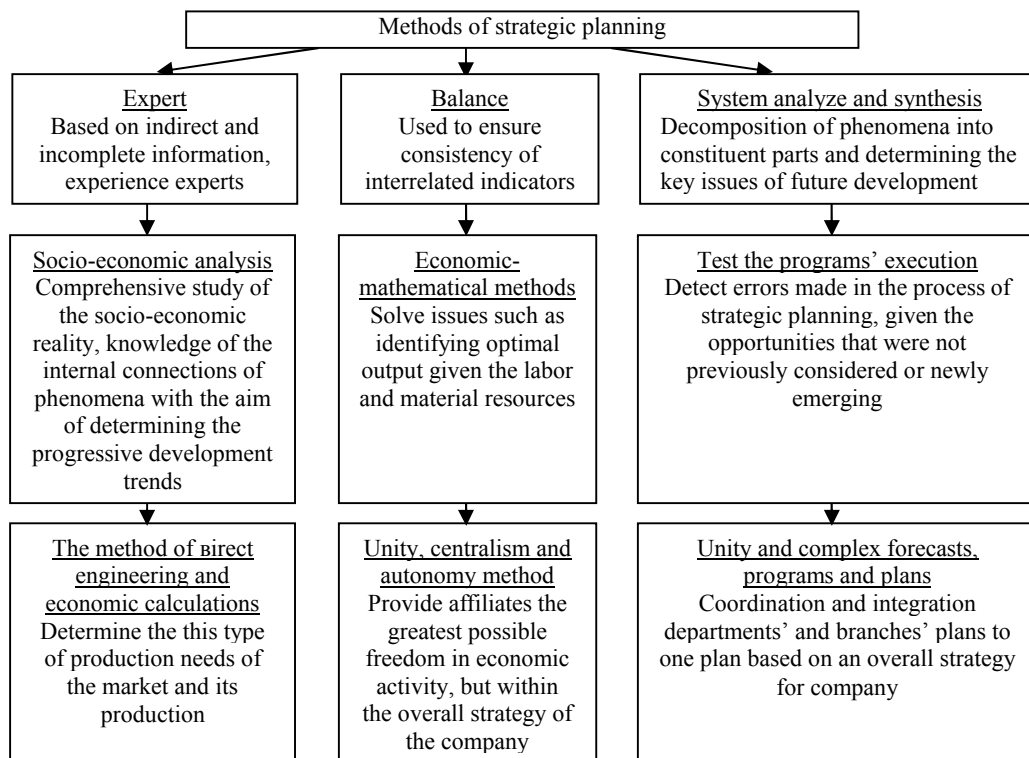


Fig. 2. Methods of strategic planning

Matrix ADL as Mac Kinsey is also essentially the improved variant of the BCG matrix while in contrast it is a multi-factorial. The approach Arthur DLL's firm to portfolio analysis is based on the concept of industry life cycle which represents the model changes over time a number of market variables:

sales, profit, competition, etc. In accordance with it every industry goes through the life cycle development of four phases: the birth (adoption), growth and development, saturation, decline. These phases of the industry life cycle make up the Y-axis of the matrix ADL. The X-axis reflects the competitive position of

company which can be: weak, strong, tolerant, powerful and leading. The combination of data about the four phases of industry life cycle and the five

competitive position results in a matrix ADL (fig. 5) [15].

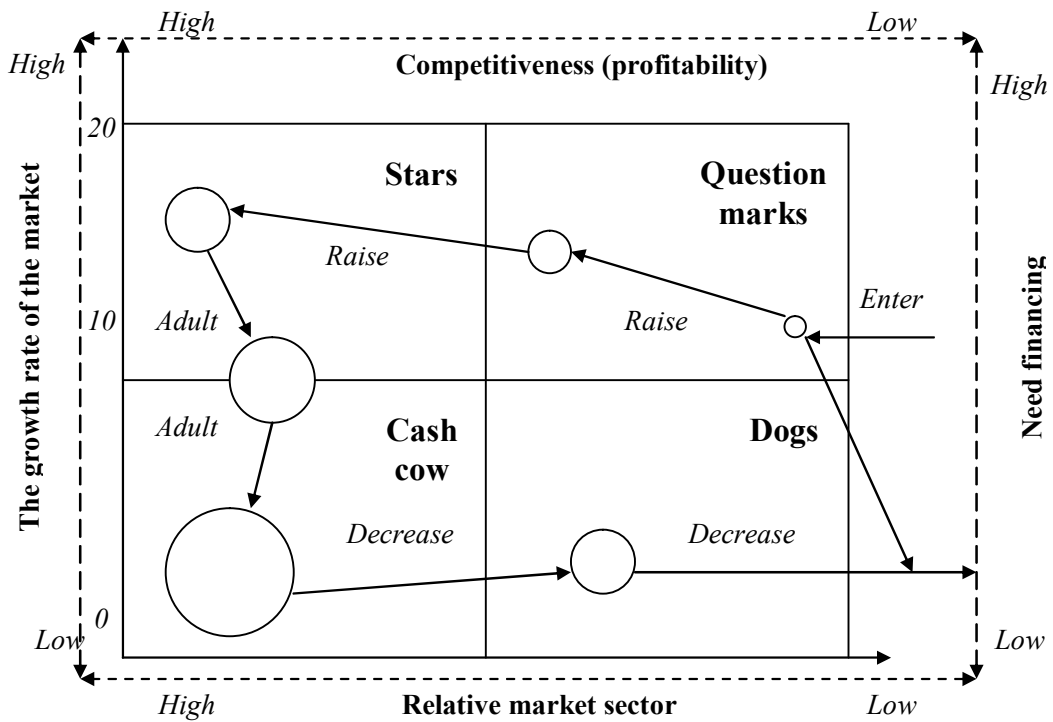


Fig. 3. Methods of strategic planning

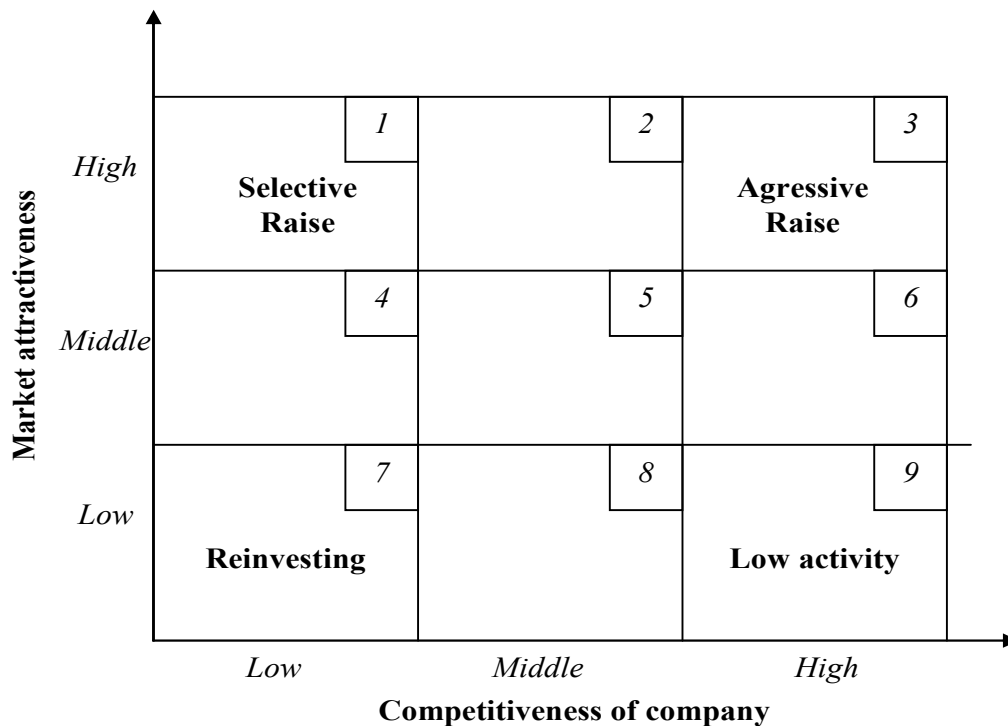


Fig. 4. Methods of strategic planning

Matrix ADL opens a wider range of strategies. It is useful for the product life cycle which is very short and if time does not apply appropriate strategies it can achieve its goals.

"Possibilities of goods-markets" matrix often used in the definition of portfolio strategy to specify in which specific business sectors of the company it will be in the future (fig. 6).

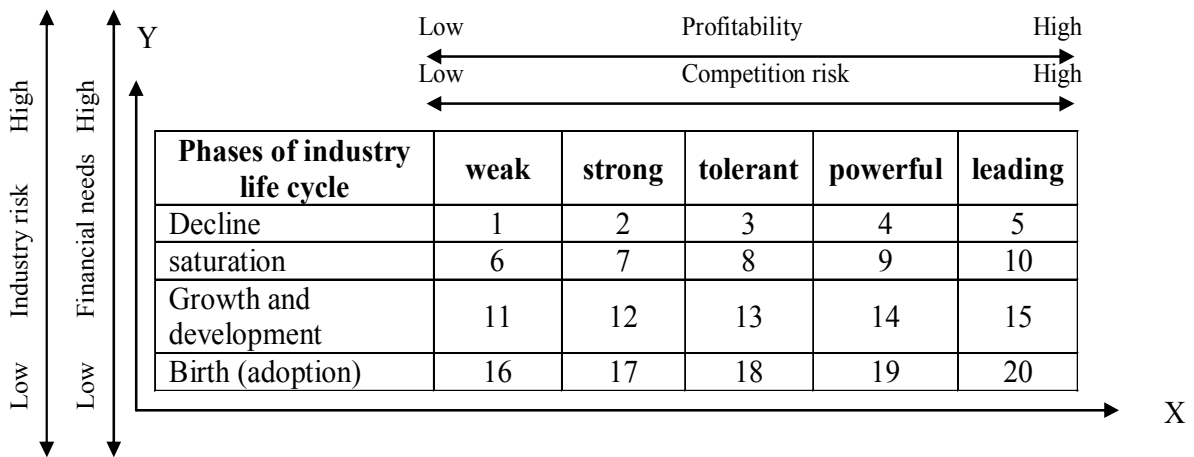


Fig. 5. Arthur D. Little matrix (ADL/LC) [11]

Each square of the matrix identifies some general strategy:

- strategy "improve what you are already doing" – focus on markets and products that exist;
- market development strategy – find new markets for manufactured goods;

- strategy new product development – involves the company's growth on due to new good production, which will be implemented on the existing market;
- diversification strategy – applied in cases when the company cannot continue to develop in this market with this product within the industry [18].

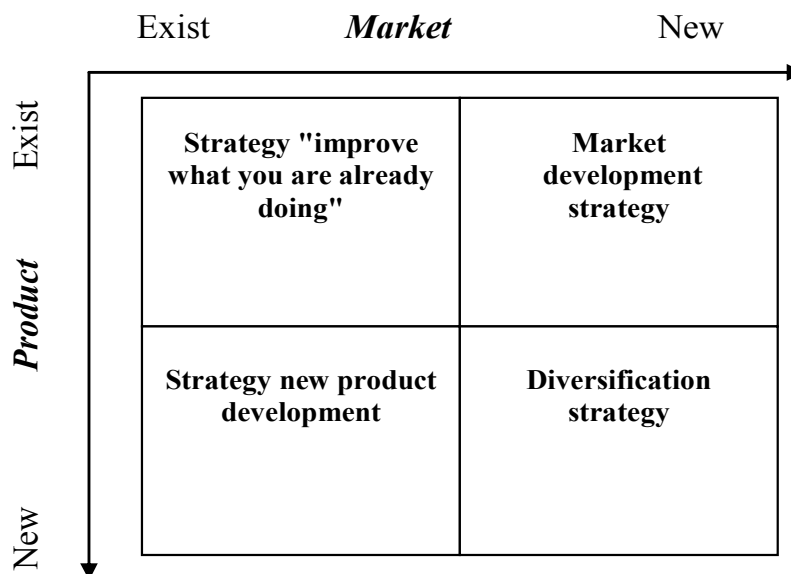


Fig. 6. "Possibilities of goods-markets" matrix [17]

Adopting such a strategy the company direct own forces to developing new products and finding new markets so it is very risky. To reduce the risk the company can by expanding spheres of activity in the area associated with the main activity of the company, and in a completely separate business areas.

After analyzing 2 groups of strategic planning techniques we can conclude the need of strategic planning in company following next conditions:

- encourage company management to think long-term;
- better coordination of the organization;
- establishment of indexes for follow-up;
- establishing an effective system of potential personnel management in company;
- focus on finding alternative ways to achieve goals, that is permissible purposes under certain goals and existing constraints;

— allocation of responsibility not only between areas activity but also between current and future activities.

Conclusions

Strategic planning in company is one of the most important conditions for its successful functioning. Without such a plan the company will go into the unknown direction by not systematic influences and internal decisions of managers. Strategic planning includes these plans. It is necessary to coordinate all the processes in company. It is making for each decision in company were taken with a clear reference to a particular purpose, developed based on the results of strategic planning.

So after reviewing the literature we can note nobody in the scientific literature defined best practices of strategic planning. All the above methods are quite effective but to ensure that the company operated and profitable, one must use the methods in the following way. In beginning of the company development it is necessity of combination two methods of the first group, except socio-economic and

systems analysis and synthesis, as they are based in the comprehensive study of the socio-economic reality, knowledge of the internal phenomena connections, its decomposition into constituent parts and determine based on this, the key issues of future development. During company growing it is effective to use portfolio methods of the second group like the matrix "product-market" because it will indicate in which specific business sectors the company should operate in the future. To ensure the company status we recommend to use MC Kinsey matrix next that determines the capacity of the market and its growth, intensity of competition, the input and output barriers, seasonality and cyclical fluctuations, capital needs, the impact of social, ecological factors, as well as state regulation.

Therefore the strategic planning process takes the main place in strategic management system. Most of the west and east companies use strategic planning to change itself to get out of hopeless situations formed in company.

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