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ORGANIZATIONAL AND ECONOMIC PRINCIPLES OF CHOOSING A STRATEGY FOR COMPETITIVE DEVELOPMENT OF AGRICULTURAL ENTERPRISES

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ОРГАНІЗАЦІЙНО-ЕКОНОМІЧНІ ЗАСАДИ ВИБОРУ СТРАТЕГІЇ
КОНКУРЕНТОСПРОМОЖНОГО РОЗВИТКУ АГРАРНИХ ПІДПРИЄМСТВ

The article is devoted to substantiating the choice of strategies for competitive development, which depends on the competitive situation, the strategic goals of economic entities, the reasons that led to it, and the capabilities of an agricultural enterprise. It is substantiated that the competitive strategy determines the direction or method of the long-term behavior of an enterprise in order to maintain or increase the achieved level of competitiveness of an agricultural enterprise. Dynamics of changes in competitiveness and its causes provide information for choosing the optimal strategy for an agricultural enterprise. A matrix of changes in the levels of competitiveness of agricultural enterprises has been proposed, which not only determines the position of a particular enterprise but also reflects possible scenarios for further development, provided that the enterprise leaves the competitive field (does not cease to exist, does not move to another field of activity). It is proved that the level of competitiveness of an agricultural enterprise requires constant monitoring; the discrepancy between the achieved level of competitiveness and the ambitions of the information on changes in the internal capabilities of the agricultural enterprise and the strength of the influence of external factors; the competitive strategy of the enterprise will become more justified and less risky if the dynamics of the level of competitiveness is taken into account when developing it; The exact direction of change in the competitiveness of time can have completely different causes; The choice of a specific strategy out of several possible depends both on the reasons for the achieved level of competitiveness and on their level acceptable for the enterprise in the future. Five situations that reflect changes in agricultural enterprises' competitiveness level are outlined: when the level of competitiveness is stable, moderately decreasing, rapidly lost, moderately growing, and proliferating. Standard scenarios have been developed for all situations, which describe possible actions and strategies aimed at maintaining or increasing the competitiveness of an agricultural enterprise depending on external conditions and internal capabilities.

Стаття присвячена обґрунтуванню вибору стратегій конкурентоспроможного розвитку, в контексті їх залежності від конкурентної ситуації, стратегічних цілей суб'єктів господарювання, причин, що до неї призвели, і можливостей аграрного підприємства. Обґрунтовано, що конкурентна стратегія визначає напрям або спосіб довгострокової поведінки підприємства з метою збереження чи підвищення досягнутого рівня конкурентоспроможності аграрного підприємства. Динаміка зміни конкурентоспроможності та її причини надають інформацію для вибору оптимальної стратегії аграрного підприємства. Запропонована матрицю змін рівнів конкурентоспроможності аграрних підприємств, яка не лише визначає позицію конкретного підприємства, але й відображає можливі сценарії подальшого розвитку при умові, що підприємство залишає конкурентне поле (не припиняє існування, не переходить в іншу сферу діяльності). Показано, що для підтримання конкурентної позиції аграрного підприємства необхідний регулярний моніторинг його конкурентоспроможності. Розбіжності між поточним станом конкурентоспроможності та прагненнями вказують на зміни в потенціалі підприємства та вплив зовнішніх умов. Розробка конкурентної стратегії, що враховує динаміку конкурентоспроможності, дозволяє знизити ризики. Важливо розуміти, що однакові зміни в конкурентоспроможності можуть мати різні причини; вибір стратегії залежить як від цих причин, так і від бажаного рівня конкурентоспроможності в майбутньому. Окреслено п'ять ситуацій, які відображають зміни рівня конкурентоспроможності аграрних підприємств: коли рівень конкурентоспроможності є стабільним, помірно спадає, стрімко втрачається, помірно зростає та росте стрімко. Для всіх ситуацій розроблено стандартні сценарії, де надається опис можливих дій та стратегій, спрямованих на збереження або підвищення конкурентоспроможності аграрного підприємства в залежності від зовнішніх умов і внутрішніх можливостей.

Key words: competition, competitiveness, strategy, development, mobilization, changes.

Ключові слова: конкуренція, конкурентоспроможність, стратегія, розвиток, мобілізація, зміни.

STATEMENT OF THE PROBLEM

Ensuring the viable development of domestic enterprises in the current conditions of their functioning in the markets is one of the most challenging and promising areas of research, which is caused by the peculiarities of their production activities. It is important to note that strategies for efficient and competitive production of agricultural producers face problems not only of a commercial nature but also of a production nature. Therefore, an urgent task in this area of research is to adapt the existing theoretical provisions and identify the main components for their further use as a comprehensive strategy.

It is also important to note that Ukraine is increasingly interacting with world economic processes and is a full member of the world community. Foreign companies operate in our markets of agricultural products, and Ukrainian enterprises have access to the markets of other countries, where the experience of competition is much more significant. As a result, different models, strategies, and approaches complicate the competitive situation for domestic enterprises. World models in their pure form are inadequate because they are based on European and Western values, which differ from our unique traditions, business culture, and Soviet experience, which influenced the development of economic thought.

It is clear that simply copying foreign strategies or even adapting them to domestic conditions can increase the competitiveness of enterprises, but will not make them leaders. This requires our developments aimed at increasing the dynamism of the external environment.

ANALYSIS OF THE LATEST RESEARCH AND PUBLICATIONS

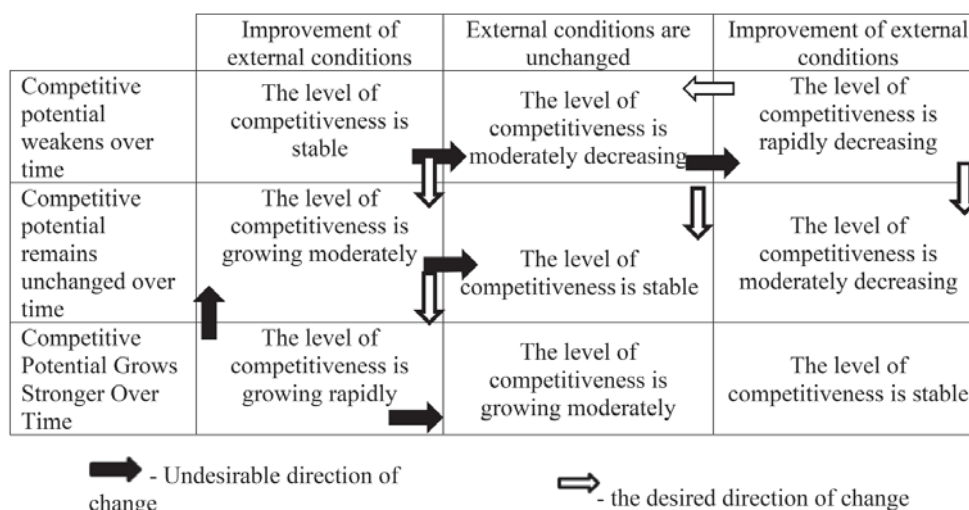
Such domestic scientists as Aranchiy V.I., Beltyukov E., Danko Y.I., Zheludenko K., Zorya S.P., Kvyatko T.M., Kyrylov Y., Krasnorutsky O.O., Malik M.Y., Mykolenko I.G., Lantukh A.O., Nekrasova L., Nuzhna O.A., Rudenko S.V., Khoruzha K.V., Shershneva Z.E. and others devoted scientific works to the issues of theory and methodology of strategic management of agricultural enterprises and their competitive development. [1— 10]. It should be noted that the models of strategy selection proposed by scientists, in most cases, are static; that is, they need to reflect the change in evaluation criteria over time. Accordingly, the competitive strategies selected according to these schemes can be applied only in an environment that has remained unchanged for a long time. At the same time, the domestic economy (as well as the world economy) is currently unstable and, therefore, requires slightly different approaches.

FORMULATION OF THE OBJECTIVES OF THE ARTICLE

This article aims to substantiate the process of choosing a strategy for the competitive development of an agrarian enterprise, in the context of which it depends on the competitive situation, the strategic goals of economic entities, the reasons that led to it, and opportunities.

STATEMENT OF THE MAIN MATERIAL

Competitive strategy determines the direction or method of the long-term behavior of an enterprise in a



Rice. 1. Directions of changes in the levels of competitiveness of enterprises

competitive environment in order to maintain or increase the achieved level of competitiveness. To develop competitive strategies, it is necessary to have information about competitiveness for a certain period. The dynamics of changes in competitiveness and its causes provide information for choosing the optimal strategy.

To obtain the necessary information, the company should use the matrix of changes in competitiveness over time.

The proposed algorithm for choosing strategies for the competitive development of enterprises takes into account the following assumptions:

1. the enterprise is not isolated and can track changes in the external environment;
2. the company has competitive potential and experience in competition;
3. the market in which the company operates is dynamic and subject to change;
4. Minor changes are not considered significant;
5. the influence of internal and external factors forms the level of competitiveness;
6. Changes in the levels of competitiveness occur gradually: "steady level" — "moderate change" — "strong change";
7. changes in competitive potential are initiated from within the enterprise, and environmental factors can change independently;
8. the level of competitiveness is inertial, responding to changes with a delay in time;
9. The company contributes to the constant growth of the level of competitiveness.

Thus, after assessing the competitiveness, the company may find itself in one of five situations:

1. The level of competitiveness is stable.
2. The level of competitiveness is declining.
3. The company is rapidly losing competitive opportunities.
4. The level of competitiveness is growing moderately.
5. The level of competitiveness is proliferating.

The proposed matrix (Fig. 1) not only determines the position of a particular enterprise, but also reflects possible scenarios for further development, provided that the enterprise leaves the competitive field (does not cease to exist, does not move to another field of activity, etc.).

The company has three alternatives for each situation: maintaining the current state, deteriorating it, or improving it. In rapid growth or decline cases, we have only one option — moderate growth or decline, respectively. This is because even in the conditions of a sharp shift in events, the company will go through a certain transition period, which is taken into account according to formal logic.

The third option for each situation is also essential — "no change" or a tendency to maintain the current state. In the figure, this concept is expressed only through two opposing scenarios — the worst and the best, given the contrast. The worst state, which involves a "precipitous fall," has only one possible way forward; since this state is already the worst, other alternatives are unfavorable. On the other hand, the best state of "rapid growth" requires stabilization, and its representation in the figure without changing the format is impossible.

Let's take a closer look at the first situation, where the level of competitiveness is stable. In this case, the following options are possible:

- deterioration of internal business opportunities in parallel with the weakening of external pressures;
- conservation of internal factors with the stability of the external environment;
- strengthening of competitive potential caused by external changes.

If the company finds itself in this situation, the following consequences are possible:

1. Suppose the strength of external factors increases, and internal factors are not strengthened from within. In that case, the level of competitiveness will gradually decrease, and in the end, the enterprise may lose its competitive advantages and be forced to exit the market.

2. If a company finds internal competitive advantages, such as unique technologies or know-how, it can become more competitive. This can be gradual initially and then accelerated, provided internal capabilities are constantly strengthened.

3. If the level of competitiveness is satisfactory, efforts can be directed to its conscious maintenance. In this case, management should focus on preventing the destructive effects of the external environment.

Another possibility of "conservation" of the achieved level is when the enterprise cannot overcome the influence of external factors. In the current situation, the company can choose one of two strategies: the strategy of "protection," when the best option is to maintain the existing level of competitiveness, or the strategy of "jump", when the most profitable is to increase the level.

The "protection" strategy involves taking measures to counteract the negative impact of external factors to maintain an optimal level of competitiveness. This approach is practical for businesses that have reached the "maturity" stage, have a long experience in the market, and have a good understanding of their situation.

The "jump" strategy includes taking measures to strengthen the potential of the enterprise, making it less vulnerable to external influences. This facilitates the transition from one competitive state (stabilization) to another (growth). This strategy helps grow businesses that are not satisfied with the current state of affairs or for new market entrants with ambitious goals that need to increase their capacity level.

Case 2. The level of competitiveness is moderately declining. Such a situation may arise if the competitive capabilities of the enterprise weaken over time (external conditions stay the same), and the competitive potential of the enterprise, without changing over time, ceases to withstand the growing external pressure. That is the gradual decrease in competitive power results from the discrepancy between the internal capabilities of the enterprise and external threats.

The possible consequences are as follows:

If the enterprise actively strengthens its competitive potential, then, depending on the strength of external changes, a scenario may arise where it will either quickly lose the achieved level altogether due to the influence of the external environment or will be able to stabilize its level with a sudden weakening of the influence of external factors.

If a company focuses on strengthening its competitive potential, a moderate recession can eventually become stabilization, then moderate or even rapid growth.

Suppose the company does not take measures to change its position or take them sufficiently. In that case, a state of moderate decline may be frozen for a specific time, subject to a favorable external climate.

Finding itself in such a situation, the company can choose one of the following strategies: "stabilization", "mobilization", "decisive action".

The "stabilization" strategy is aimed at stopping the decline in competitiveness. It allows you to change a moderate decline to temporary stability, after which the enterprise will again have to decide:

- If the resulting condition is optimal, maintain it;
- If not, choose one of the growth strategies.

Suppose an enterprise loses its competitiveness moderately due to external reasons. In that case, it should choose a strategy of "decisive action", subject to absolute internal stability, which requires the effectiveness of the components of competitive potential and an adequate level of financing (including free resources for risky maneuvers).

This strategy is used by businesses that do not seek to expect long-term changes in the external environment. If the loss of competitiveness arises due to the inaction of the enterprise or inadequate actions in the face of policy changes, the strategy of "mobilization" should be chosen. This strategy aims to overcome the consequences of inadequate actions in new conditions, such as entering new markets or creating a new enterprise and quickly adapting to changes in external factors.

Situation 3, where the enterprise is rapidly losing competitiveness, arises due to a rigid interaction of internal and external factors. This may result from insufficient speed of adaptation to external changes or a negligent attitude of management to the competitive situation. Reasons for this may include:

1) Lack of understanding of the role and significance of competitiveness and related strategies for managing it.

2) Insufficient attractiveness of this market for the enterprise can lead to the development of other niches or the rejection of the market altogether.

In this context, strategies of "mobilization" or "change" should be used to overcome a crisis by rapidly adapting or reviewing previous measures and adopting new ones that have not yet been used.

The "mobilization" strategy responds to businesses facing the possibility of bankruptcy and allows them to survive in the market. This strategy aims to intervene and take action quickly to avoid collapse actively.

Case 4. The level of competitiveness is growing moderately. Such a situation is possible when the internal components are balanced, the company is stronger than the circumstances, or the situation is in its favor. Causes of this condition:

- significant weakening of external pressure due to conscious (unconscious) state policy, the withdrawal of the primary or several competitors;
- careful monitoring of the external situation and adequate, appropriate actions;
- active policy of the enterprise in the market.

The situation can develop in the following directions:

- 1) Stabilization of the state (in case of reaching the optimal level) or due to the action of external forces;
- 2) continuation of moderate growth if it satisfies the enterprise or due to external solid pressures that do not allow competitiveness to grow stronger;
- 3) Under conditions of an optimistic scenario (internal actions — external factors) — rapid growth.

Accordingly, the company should choose one of the strategies: "protection", "jump", "decisive action".

Case 5. The level of competitiveness is proliferating. This is the most advantageous among all possible situations, although it is not always the result of an enterprise's conscious strategy. The reasons for this may be:

- active measures of the enterprise that effectively resist external factors;
- successful calculation and profitable scenario;
- favorable circumstances that promote synergy: strengthening of internal factors and weakening of external factors.

Options for further development of the situation include:

1) stabilization of the achieved level, if it is considered satisfactory;

2) consolidation of a state of intensive growth;

3) moderate growth due to external factors or internal reasons;

4) some stabilization and reduction due to concerted measures.

If the achieved level is accepted (optimal), you should choose a strategy of "protection" or "strengthening", if unsatisfactory — "decisive action" and take advantage of the current situation; when the current state is the result of favorable circumstances — a strategy of "mobilization" or "change".

The strategy of "strengthening" is aimed at maintaining the current pace of development of the enterprise. This strategy can be used with a "protective" strategy in any of the situations listed. It is chosen in cases where the enterprise is satisfied with the direction and pace of changes in its competitive capacity.

CONCLUSIONS

The strategic direction of an enterprise is significantly influenced by the competitive landscape, aligning with its strategic objectives, and stemming from both the causes of the current situation and the enterprise's inherent capabilities. The findings underscore the importance of ongoing monitoring of an enterprise's competitive standing. A gap between the existing competitive level and the aspirations signifies shifts in internal strengths and external pressures. Formulating a competitive strategy becomes more grounded and entails lower risk when the fluctuation in competitiveness levels is considered. Nonetheless, identical shifts in competitiveness may stem from diverse causes at different times. The selection of a precise strategy among various possibilities hinges on the factors that have shaped the current competitive status and on a future level of competitiveness that the enterprise deems acceptable.

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