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METHODICAL APPROACH TO CHOOSING BUSINESS STRUCTURES' ECONOMIC RESULTS MANAGING STRATEGY

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Фролова Л.В., Семерун Л.В. Методичний підхід до вибору стратегії управління економічними результатами підприємницьких структур.

У статті запропоновано методичний підхід до обґрунтування стратегії управління економічними результатами підприємницьких структур, який дозволяє одночасно визначити тип динамічної стратегії в залежності від варіації впливу бізнес-середовища, та відповідні субстратегії в залежності від спрямованості стратегічного азимута управління економічними результатами.

Ключові слова: економічні результати, підприємницькі структури, бізнес-середовище, стратегія, управління

Frolova L.V., Semerun L.V. Methodical approach to choosing business structures' economic results managing strategy.

In article suggests a methodical approach to the justification of the strategy of managing the economic results of entrepreneurial structures, which allows simultaneously determining the type of dynamic strategy depending on the variation of business environment influence, and the corresponding sub-strategies depending on the direction of the strategic azimuth of managing economic results.

Keywords: economic results, business structures, business environment, strategy, management

In modern economic conditions, the characteristic feature of the management of business structures is to increase the requirements for the effectiveness of their activities. Only on the condition of economic efficiency, enterprises can develop and be competitive in the market. The need to ensure the effective functioning and achievement of high economic results requires entrepreneurial structures to develop effective strategies for managing economic results, which determines the relevance of the research topic.

Analysis of recent research and publications

Problems of methodology, theoretical and practical substantiation of issues related to the accounting, analysis and management of economic results of enterprises are investigated by quite a wide circle of scientists, such as Nussianov V.Ya. [1], Turilo A.M. [2], Kozak V.E. [3]. In the works of Ishchenko M.I. [4], Mazarchuk A.Yu. [5] considered the question of modeling the dependence of economic results on various factors. Problems of determining the nature and evaluation of the economic results of the enterprise, taking into account its financial situation is quite fully disclosed in the works Burkova L.A. [6, 7]. However, a number of issues related to the strategic management of the economic results of the enterprise remain unresolved and require further research.

The aim of the article is to justify the methodical approach to choosing a strategy for managing the economic results of business structures, which will simultaneously determine the type of dynamic strategy depending on the variation of the business environment, and the corresponding substrate depending on the direction of strategic azimuth management of economic results.

The main part

Strategic management of the economic results of entrepreneurial structures is aimed at developing a set of management measures for the development of business development scenarios, depending on their position in the future. The identified strategic benchmark requires the determination of alternative options for a strategy for managing economic results, the determination of which enables the resources to be identified in advance and the search for additional reserves for their implementation. The justification of the management strategy depends on the level of management for which the direction of strategic development and the type of strategic management is chosen. Given the essence of the category "economic results", its versatility and the principle of creating added value of business structures through the development or use of economic resources, in the strategic management of economic results is considered as an integrated dynamic process, the choice of strategy which depends on how any entrepreneurial The structure wants to develop, what resources and potential reserves have, and what goals it sets itself.

Having conducted an in-depth analysis of corporate governance strategy development, we concluded that the most expedient strategy for managing economic results is a growth strategy focused on expanding market activity, increasing the assets of business structures, and increasing capital investment.

The paper [8] shows that the strategy of the development of entrepreneurial structures is a long-term plan that contains a set of quantitative and qualitative decisions regarding the choice of the direction of business structures that lead to the improvement of their state by optimizing the economic results of business structures, adaptation to the external environment and internal integration, which helps to increase the ability of entrepreneurial structures to counteract the negative impacts of the external environment and their livelihoods. The development strategy should become a priority for business entities, because it is capable of ensuring their competitiveness. Any business structure can grow because of increasing the scope of its current activities; Introduction of new areas of work or expansion of technological capabilities; Expansion of the consumer group [9].

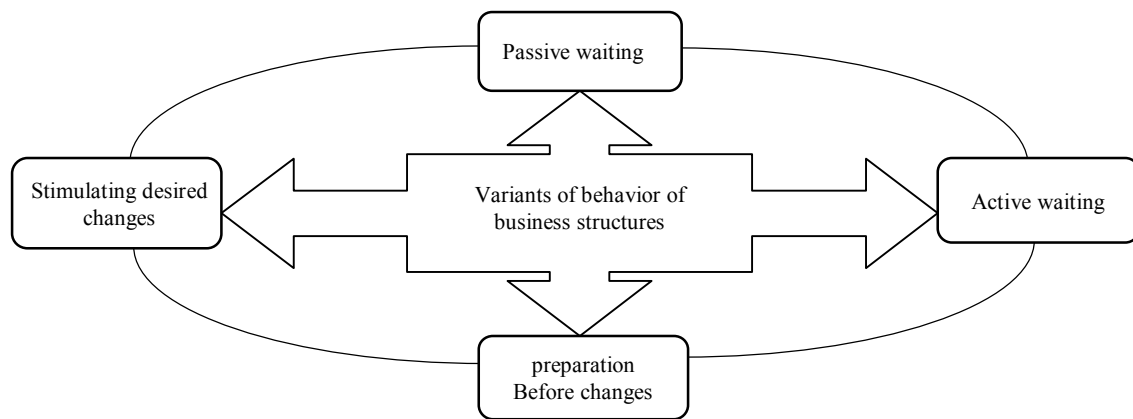


Fig. 1. Variants of behaviour of entrepreneurial structures of adaptation to changes

Source: Own elaboration

One of the important decisions at the corporate governance level is the choice of strategic management type. It is precisely at this level that the choice of a strategic direction is relevant in the management of economic results, since economic resources can be systematically redistributed between business processes of both core and business management processes. Modern business conditions require an objective assessment of the effectiveness of choosing a development strategy, as well as increasing the level of management of the economic results of economic entities in terms of the openness of the system. As you know, the control system can be both static and dynamic, which, depending on the chosen development path, gives the opportunity to get alternative strategic vector references.

The static strategy determines the stability of the economic system, and the dynamic strategy characterizes the change in the dynamic balance of the system "subject of management - the external environment", that is, the process of its quantitative and qualitative change over a certain period of time. Accordingly, it can be said that the nature of the development of economic entities is determined by a combination of indicators of growth and stability of the target function. It should be borne in mind that it is impossible to obtain stable results of growth in the growth rates of volumetric indicators and to increase the efficiency of entrepreneurial activity based on sustainable management methods [10].

The choice of strategic management of economic results from the fact that the modern business environment is unpredictable and dynamic, constantly requires new managerial decisions and products, that is, it requires creativity, according to which it is proposed to manage economic results based on dynamic changes. The dynamism determines the proactive development of business structures in general, creates new formats for managing economic results and defines additional reserves for their optimization.

Taking into account all the above, the methodical approach to the process of choosing a strategy for managing the economic results of a modern entity is proposed with the aim of a well-founded formation of a dynamic system of strategic management of economic results.

At the stage of development, the business entity chooses a growth strategy for economic outcomes; however, reaching the "point of choice" is the question of "which strategy to choose?" And "how to build a system of strategic management?". It is clear that the interaction of the level of management with economic results and potential opportunities makes it possible to make choices in favour of dynamic strategies or static ones. Before choosing one of the strategies, one must remember that static strategies are more effective for a simple and stable environment that is slow to adapt to the environment. Dynamic strategies are effective for a complex unstable environment, where you always have to make quick decisions, able to adapt to situations that are geared toward radical changes. It should be noted that the lack of an adequate strategic decision at the time of the "point of choice" may lead to the fact that the chosen strategy for managing economic results will not promote the effective use of potential opportunities, which in turn will lead to a reduction in the effectiveness of management of the economic results of business structures. To implement the strategy of managing economic results, the most favorable dynamic strategies, and therefore the system of strategic management has a dynamic character. The process of developing a strategy for managing economic results involves the following major steps (fig. 2):

1. Determination of key factors of success of business entities.
2. Strategic analysis.
3. Strategic planning.
4. Realization of strategy and experimentation

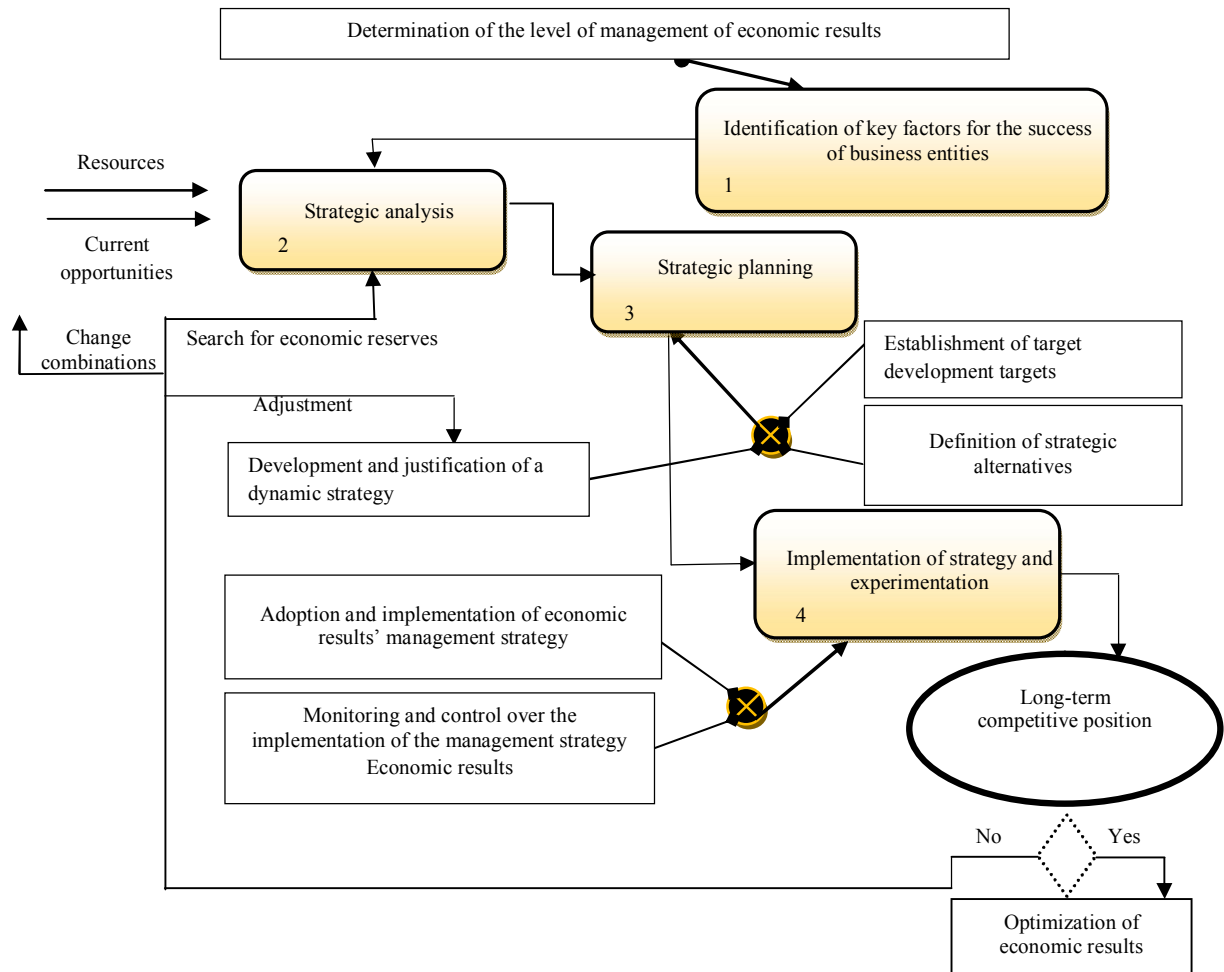


Fig. 2. Dynamic system's algorithm of business structures' economic results managing strategy
Source: Own elaboration

In fig. 2 shows the algorithm of the dynamic system of strategic management of the economic results of the enterprise. Strategic management of economic results and the choice of a dynamic strategy are based on the inalienable process of assessing the favourable business environment of the entity, since the state of the industry, relations with consumers and their suppliers determine the many possibilities of the business structures to adapt to market conditions depending on internal capabilities and potential Growth reserves and level of management of economic results of economic entities. The assessment of the business environment of business structures provides the opportunity to determine the environmental factors favourable to doing business in the future vectors of development, and the level of management of economic results – the ability to dynamically adapt to the functioning environment and the basis of available and potential opportunities.

An assessment of the favourable business environment of entrepreneurial structures to justify the strategy of their dynamic development is based on the calculation of three groups of indicators, which outline the vector of variations of influence on economic results, depending on the position of the switch environment of the business environment. In the graphical form, the following assertion can be represented as follows (fig. 3).

The switch of the business environment of the business entity is an indicator of the connection of several of its nodes within a single environment, whose position in turn affects the vector of the entity's development, depending on the variety of its potential variations. That is, the switch acts as a kind of dynamic instrument for assessing the favourable impact of the business environment of the entity on its strategic position in the future and an operational decision tool for variations in economic outcomes in its environment.

The choice of three groups of indicators of the switch and its factors is proposed to be carried out expertly. Managers of the institutional level of business enterprise management should develop a questionnaire for the development of a system for indicative assessment of the business environment's business environment. The processing of expert data provides the opportunity to form a system of indicative assessment of the business

entity's favorable environment and obtain criteria for calculating its switch, namely managerial skills, customer loyalty and consumer relations. It should be noted that experts can be offered a scale for assessing the impact of the indicator on the business environment in which entrepreneurial structures are structured. Where value 5 – strong positive impact; 4 – significant positive impact; 3 – mediated influence; 2 – significant negative impact; 1 – strong negative impact.

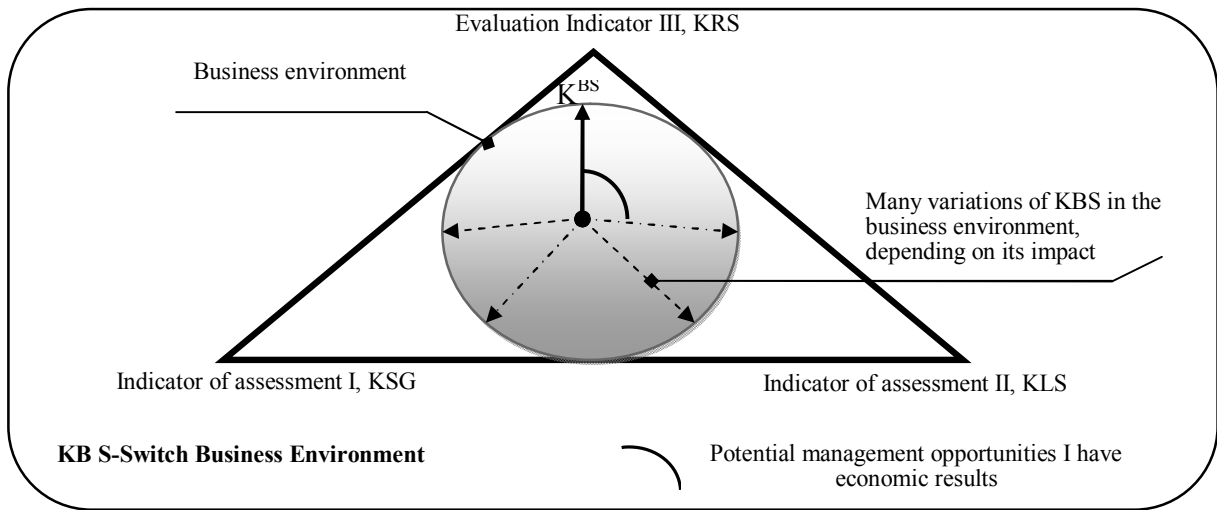


Fig. 3. Switch of the business environment of the entity
Source: Own elaboration

At the next stage, the strategy of managing the economic results of business structures is based on the interconnection of two factors, namely, the utility business environment switch and the integral indicator of managing the economic outcomes of the business structures. Types of offered dynamic strategies and substrate management of the economic results of entrepreneurial structures are presented in fig. 4.

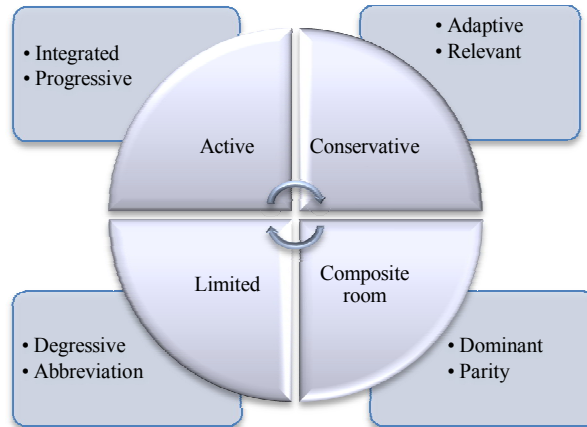


Fig. 4. Types of offered dynamic strategies and substrate management of the economic results of business structures
Source: Own elaboration

The integrated substrate is characterized by a high level of management of economic results and a very favorable state of business environment of the functioning of business structures, which directs the vector of strategic development to a qualitatively new change in the current state of management and strengthening their competitive position in the market.

The progressive substrate is characterized by a favourable business environment and a fairly high level of economic performance management. The vector of strategic development is aimed at identifying reserves of management of economic results, timely detection of indicators of external influence of the business environment and overcoming their negative impact, which will increase the level of competitiveness of business structures in the market.

The adaptive substrate is characterized by a high degree of favourable business environment and an average level of management of economic results. The vector of strategic development is aimed at the full use of the opportunities for growth of economic results, which will lead to stabilization of business structures. The main

goal is to identify the reserves of the growth of economic results and as a consequence - a stable competitive position in the market.

The relevant substrate is characterized by low level of management of economic results and a favourable state of the business environment. In such a situation, entrepreneurial structures should use an integrated approach to managing economic results, reorienting the system of economic resources, and implementing new combinations of the resources involved, which will allow for the implementation of the principle of systemacity and ensure the balance of the development of business structures.

Dominant substrate is characterized by high level of management of economic results and not very favourable state of the business environment. The dominant management of economic results is aimed at interaction between the functioning market and the internal environment. The vector of strategic development is focused on the use of new forms and methods for adapting economic results to a competitive external environment.

The parity substrate is characterized by a rather high level of management of economic outcomes and unfavourable influence of the business environment. The strategic vector of development is aimed at adapting to the business environment, through competent management of economic results. In this state, which regulates the effectiveness of the formation of economic results, the revitalization of business environment loyalty to the development of entrepreneurial structures will be implemented.

A degrading substrate is characterized by an average level of management of economic outcomes and a lack of loyalty to the state of the business environment. The vector of strategic development is aimed at activating efforts to manage economic results. The search for economic management reserves will help to strengthen all internal processes of business structures, which in the long run will increase the loyalty of the business environment by reducing the pressure from the competitive market.

The reduction of the substrate is characterized by the absence of positive changes in the management of economic results. Such a management of economic results is dangerous for business structures, due to the poor quality of management and unfavourable business environment. The vector of strategic development is aimed at carrying out a detailed analysis and identifying key success factors, the actualization of which will promote a new direction for the development of business structures and increase the efficiency of management of their economic outcomes.

According to sector of the locator strategic azimuth management of business structures' economic results (fig. 5), the subject of the economy is determined by the strategy and substrate management of the economic results of the business structures.

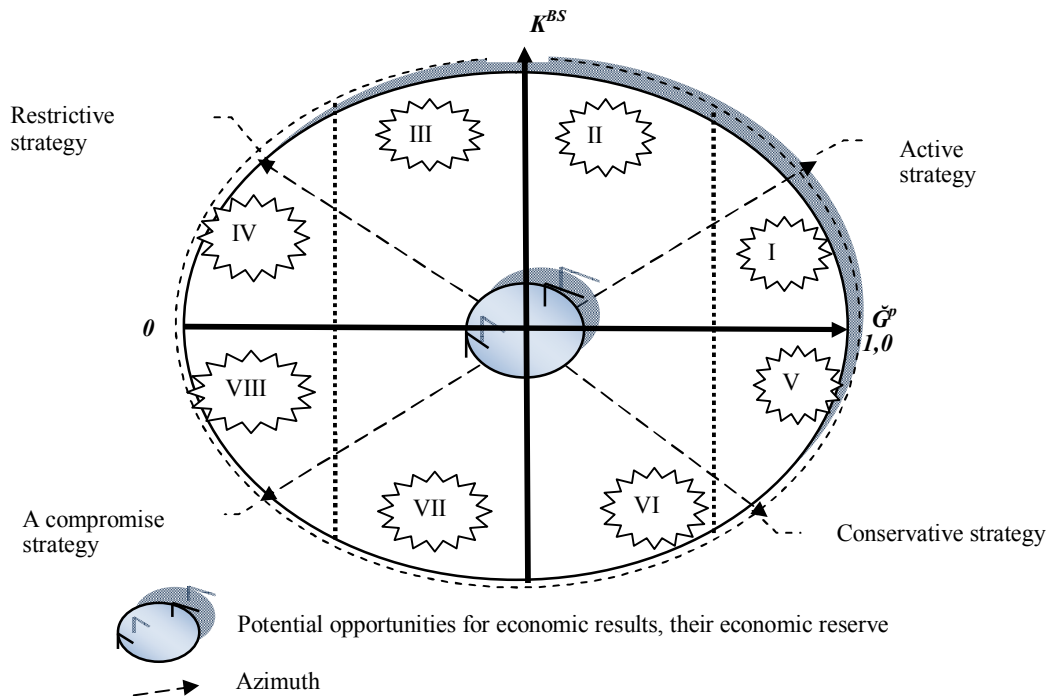


Fig. 5. Locator of strategic azimuth management of business structures' economic results
 Source: Own elaboration

The proposed methodological approach allows simultaneously to determine the type of dynamic strategy (active, conservative, compromise, restrictive) depending on the variation of the impact of the business environment and the corresponding substrate (integrated (I), progressive (II), adaptive (III), relevant (IV),

Dominant (V), parity (VI), degressive (VII), contraction (VIII)), depending on the direction of strategic azimuth management of economic results (fig. 4). The proposed strategic development locator provides an opportunity to differentiate the choice of strategies for managing the economic results of business structures based on their positioning.

Conclusions

Thus, the proposed methodical approach to choosing business structures' economic results managing strategy is based on the assessment of business environment favourable for outlining the variations' vector of influence on economic results depending on the position of the switching business environment. Also, it allows to determine the list of dynamic strategies for economic results' managing and to offer recommendations on strategic vectors for business entities through the creation of an economic opportunity to win their competitors in the long run within each specific strategy.

Abstract

In article the methodical approach to selecting of business structures' economic results managing strategy is substantiated. Strategic management of economic results herein considered as an integrated dynamic process, the choice of strategy depends on how any business organizations want to develop which potential resources and reserves have and what goals set by ourselves.

The authors conclude that the development strategy should be a priority for the entities, because it is able to ensure their competitiveness. Today the ability of undertakings to adapt to technological, market and other changes in the business environment is important. It is proved that the best option behaviour of businesses is to prevent change and promoting them.

It is determined that for effective implementation of strategy of management most favourable economic results dynamic strategy as well as strategic management system is dynamic. The process of business structures' economic results managing strategy developing carried out in four stages: identifying key success factors for businesses; strategic analysis; strategic planning; implementation of strategies and experimentation.

It is proved that the assessment of business environment favourable of businesses to justify a strategy appropriate to carry out the calculation based on three groups of indicators switch business environment, which proposes that the expert way.

The paper provided description of alternative types of dynamic strategies and management sub strategies economic results of businesses on which is built radar azimuth strategic management of businesses' economic results. The proposed strategic development locator allowed delimit choice management strategies economic results of businesses based on their positioning and justify recommendations for the strategic vectors of businesses' development by creating economic opportunities to win their competitors in the long term within each defined strategy.

JEL Classification: M21, M50.

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