

FORMATION AND IMPLEMENTATION PROCESS OF THE ENTERPRISE DEVELOPMENT STRATEGY

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Key words: <i>Strategy</i> <i>Development strategy</i> <i>Characteristics of development strategy</i> <i>Development strategy formation</i>	ABSTRACT In the article theoretical and methodological foundations of the formation and implementation of strategy are investigated. The schools of strategic planning are analyzed. The complexity of the development strategy formation is determined, this process is analyzed from a particular position of the various theoretical and methodological approaches. The approaches of foreign and domestic scientists to the enterprise strategy formation are analyzed and identified their benefits. The author proposed an algorithm of formation and implementation of development strategy and practical advices how to use it are given. A distinction between algorithm of development strategy formation for new and already existing enterprise in the market is conducted.
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ПРОЦЕС РОЗРОБКИ І РЕАЛІЗАЦІЇ СТРАТЕГІЇ РОЗВИТКУ ПІДПРИЄМСТВА

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У статті розглянуто теоретичні та методичні засади формування й реалізації стратегії підприємства. Проведено аналіз шкіль стратегічного планування. Визначено, що складність формування стратегії розвитку полягає у тому, що при різних теоретико-методологічних підходах цей процес розглядається з конкретної позиції. Проаналізовано підходи зарубіжних і вітчизняних учених-економістів до формування стратегії підприємства та визначено їхні переваги. Запропоновано алгоритм розробки і реалізації стратегії розвитку підприємства та надано практичні рекомендації щодо його застосування. Проведено відмінність між алгоритмом розробки стратегії розвитку нового підприємства та вже існуючого на ринку.

Ключові слова: *стратегія, стратегія розвитку, ознаки стратегії розвитку, формування стратегії розвитку.*

In the current economic conditions enterprises, operating in the market, face the problem of effective activities in the future period. Modern conditions of business

operation, which are characterized by uncertainty and variability of the environment, increase competition, political instability, etc., force enterprises not only to adapt to environmental changes, but also pass ahead them. To solve this problem the company needs to develop an effective strategy of development.

A lot of research and publications of foreign and domestic scientists and economists were devoted to theoretical and methodological aspects of the enterprise strategy formation: I. Ansoff [1], H. Mintzberg [2], M. Meskon [3], A. Truhan [4], J. Levitsky [5], M. Golovinov [6], L. Moroz [7], A. Dubrova [8] and others.

Analysis of scientific literature shows that methodological approaches to enough attention to the issue of development strategy formation. The last point outlined the scope of the study.

The purpose of this paper is to analyze the methodological approaches to the strategy formation and improve the process of formation and implementation of the enterprise development strategy.

A systematic approach, methods of analysis, comparison and systematization were used during the research. An effective solution of the survival and nonstop enterprise development is to create and implement enterprise's competitive advantages, which can be achieved on the basis of well-developed and effective development strategy.

Strategic management is one of the subsystems of management of organization that perform many tasks of strategic analysis, design, implementation and control of enterprise strategy [9].

There are many different views how the process of strategy management must be organized. In scientific literature there is no single approach to the enterprise's strategy formation. H. Mintzberg, B. Alstrend and D. Lempel made a significant contribution to the systematization of views in this area. They have identified ten schools of strategic planning in their book «Strategic Safari: excursion to the wilds of strategic management», which are characterized d in the Table 1 [2, 10—12].

Schools of strategic planning are divided into three groups. Each school offers a model that is the structure, sequence and content of enterprise's strategy formation. Representatives of the top three schools focused their attention on the formal strategy formation. The following six schools tried to link the explanation of the strategy formation principles and implementation of the strategic process in time. The third group is represented by the configuration school that combines the views of all previous schools.

The conducted analysis of schools of strategic planning allows us to conclude that they don't offer a variety of methodologies, but only develop a strategic planning scheme, focusing on certain aspects. The last point allows to use their primary positions in the development management of the enterprise.

Analyzing approaches to strategy formation it is necessary to emphasize Ansoff's approach, which identifies the following stages: internal evaluation of enterprise; evaluation of external opportunities; formulation of goals and selection of objectives; the decision about diversification and the choice of diversification strategy; the choice of competitive strategy; formation of a component of the diversification strategy and competition strategy in the form of separate projects [1].

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Table 1. Characteristics of Schools of Strategic Planning

Name of approach	Representatives	Characteristics of formation strategies methods
Design school	K.Endryus, F.Seleznik, A.Chandler, U.Newman	The strategy formation process as a process of understanding the intentions
Planning school	I.Ansoff, S.Hofer	The strategy formation process as a formal process
Positioning school	M. Porter, K.Hatten, D.Shendel	The strategy formation process as an analytical process
Business school	A.Koul, K. Knight, Y.Shumpeter	The strategy formation process as a process of prediction
Cognitive school	J. March, H.Saymon, M. Layls, G. Thomas	The strategy formation process as a mental process
Learning school	R.Kayyert, J.Kuinn, C.Lindblom, R. Lapierre	The strategy formation process as a development process
Authority school	H.Allison, H.Estli, J.Pfeffer, H.Salansyk	The strategy formation process as a process of negotiation
Culture school	E.Renman, R.Norman	The strategy formation process as a collaborative process
Environment school	D.Pew, M.Hannan, J.Friman	The strategy formation process as a reactive process
Configuration school	D.Miller, A.Chendler Jr., R. Miles, P.Fryzen, P.Handavall,	The strategy formation process as a process of transformation

According to M. Meskon, M. Albert and F. Hedouri, the strategy formation process consists of nine steps: selection of the organization's mission; the formulation of objectives; analysis of the external environment; internal survey of strengths and weaknesses; analysis of strategic alternatives; the choice of strategy; the strategy implementation; management and planning, implementation and monitoring of the strategic plan; evaluation of the strategy [3].

O. Vihanskyy confirms that it's better to consider the strategy formation process as a dynamic set of five interrelated steps: analysis of environment; a mission and goals determination; strategy selection; strategy implementation; evaluation and control of the performance [13].

It's necessary to pay special attention to O.L. Truhan's study who offered a general logical sequence of enterprise's strategy formation stages [4]:

1. Organizational preparation of the process of the overall strategy planning.
2. Harmonization of general strategic guidelines with heads of different hierarchical levels and functional enterprise's subsystems.
3. Specification of own strategic positions.
4. Justification of the strategic goals of the enterprise development and the individual functional directions.
5. Discussion the possibility of strategic alternatives formation according to development goals and potential of the enterprise.
6. Development and improvement of the most likely strategy variants.
7. Assessment of variants and choice of the final version of strategic development.

8. Diagnosis of the final strategic scenario, it's working out in detail and installation of tactical tasks for implementation.

The algorithm of enterprise's strategy formation of L.I. Moroz is deserves consideration too. She adds to the above listed steps the following ones: assessment of environment instability, the choice of management methodology and development trends of the industry [7, p. 320]. In our opinion, the last stage is particularly important, because if top-management aims to develop the enterprise's strategy formation, they should analyze development trends in the industry to understand company's position in the market and choose the specific ways of its further development.

Based on the conducted research we reach a conclusion that there is no the algorithm of development strategy formation in scientific literature. And we must distinguish the strategy from the development strategy. Development strategy, in our

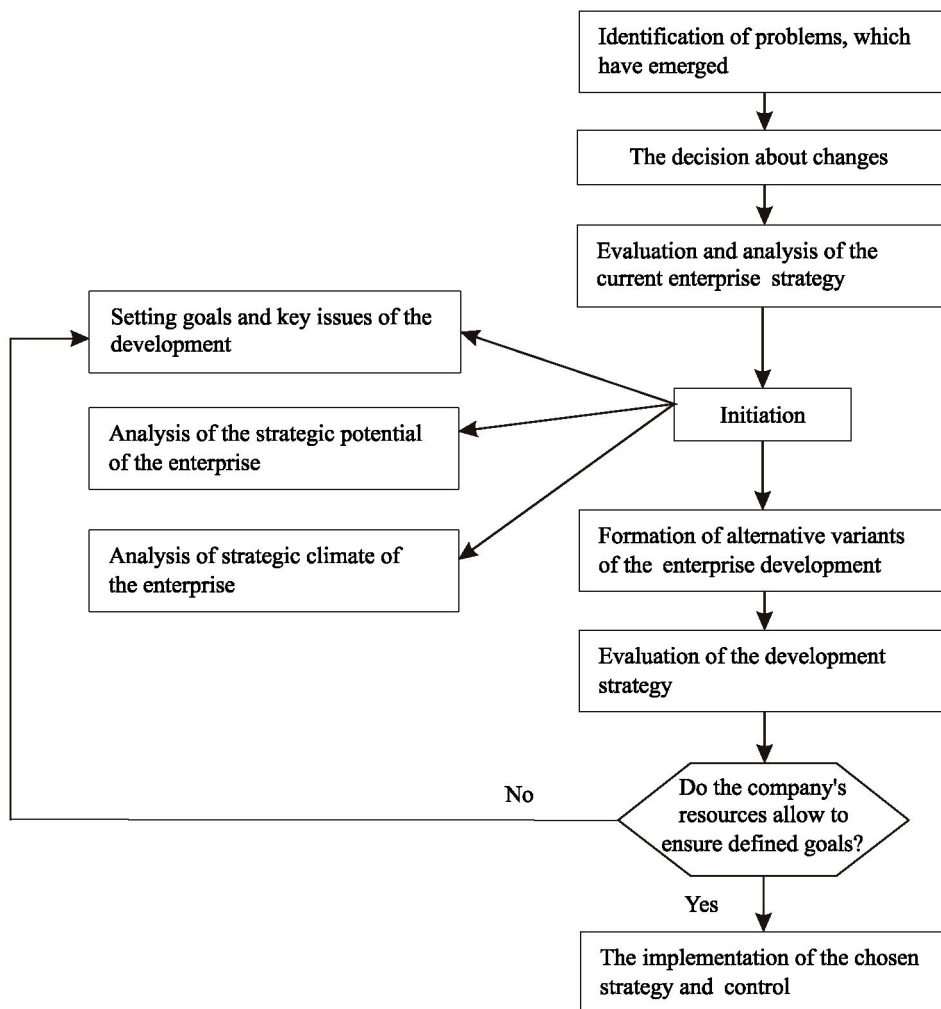


Fig. 1. Algorithm of the enterprise development strategy formation and implementation

opinion, it is enterprise strategy aimed to achieve development goals, as opposed to the goals of survival (which are set by the majority of enterprises in crisis situations) and it is based on the principles of intensive development, the availability of the enterprise significant scientific and technical potential and the favorable micro- and macroclimate of the organization. Enterprise strategy becomes the enterprise development strategy only when it has previous characteristics.

According to various algorithms of the enterprise strategy formation in scientific circle, we consider it necessary to offer an algorithm of the enterprise development strategy formation and implementation, which is oriented on the organization that is in operation.

The enterprise, carrying out their activities in the market, always faces some problems which slow down the enterprise's activities and don't allow to go ahead and evolve, and must make a decision about changes.

Evaluation of existing strategies is carried out by determining the financial indicators and the overall financial condition of the company, which will show existing strategy effectiveness.

Structural algorithm of the enterprise development strategy formation and implementation is shown in Fig. 1.

The process of setting goals and key issues of the enterprise development adapts the strategic development direction of the enterprise to the specific tasks connected with the production and performance of the organization.

Determination of the conformance of the strategic potential with the chosen development strategy is a most important stage of strategy formation. And alternative variant of the enterprise development is the result of the communication of goals and resources of the enterprise.

The algorithm of development strategy formation of a new enterprise will have the stage of the mission determination instead of first three stages. Because this stage is one of the first and necessary steps which help to determine future directions of enterprise's activity.

Conclusions

In the article we analyzed methodological approaches to enterprise strategy formation and proposed an algorithm of the enterprise development strategy formation and implementation. The effective strategy formation is an important necessity for all organizations, and has undoubted practical value. In our opinion, the execution of all these stages will allow to design an effective development strategy.

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ПРОЦЕСС РАЗРАБОТКИ И РЕАЛИЗАЦИИ СТРАТЕГИИ РАЗВИТИЯ ПРЕДПРИЯТИЯ

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В статье рассмотрены теоретические и методические основы формирования и реализации стратегии предприятия. Проведен анализ школ стратегического планирования. Определено, что сложность формирования стратегии развития заключается в том, что при различных теоретико-методологических подходах этот процесс рассматривается с конкретной позиции. Проанализированы подходы зарубежных и отечественных ученых-экономистов к формированию стратегии предприятия и определены их преимущества. Предложен алгоритм разработки и реализации стратегии

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развития предприятия и даны практические рекомендации по его применению. Проведено различие между алгоритмом разработки стратегии развития нового предприятия и уже существующего на рынке.

Ключевые слова: *стратегия, стратегия развития, признаки стратегии развития, формирование стратегии развития.*