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INNOVATIVE METHODS IN STRATEGIC PLANNING OF FOREIGN ECONOMIC ACTIVITY OF ENTERPRISES

VALENTYNA YAKUBIV, IRYNA HRYHORUK

Abstract. Changes in the external conditions of business in Ukraine, European integration vector of the country development, and possibilities of import/export operations facilitate foreign trade. Modern methods of strategic management and strategic diagnostics should be developed in line with international requirements and needs of managers in Ukraine and partners abroad. Therefore substantiation of innovation trends for enterprise development strategies on the international arena as a constituent of stable economy is important and necessary.

The purpose of this article is to define innovative approaches to planning, development and implementation of strategies and to develop a comprehensive diagnosis of the strategic potential of foreign economic activity.

During the research, the following methods: logical abstraction, modeling, PEST-analysis, systems analysis, graphic.

The main results of the study are: 1) disclosure of the features of the construction of strategic management in international business; 2) analysis of European and American practices of strategic management of foreign economic activity of enterprises; 3) study of algorithmic scheme of strategic management in the Ukraine; 4) justification of methods of three-level system of strategic analysis using matrix methods of assessment; 5) the classification of the main methods of matrix analysis within groups: macro, meso, macro level; 6) a comprehensive diagnosis of the strategic potential of foreign economic activity of enterprises in Ukraine.

The study proved the main areas of innovation and strategic principles of international management and comprehensive methodology for strategic planning matrix based on innovative methods.

Keywords: strategic planning, foreign economic activity, strategic analysis, innovative methods, diagnostics, enterprises.

1. INTRODUCTION

European integration processes taking place in Ukraine today encourage entrepreneurs to cooperate with business structures abroad, thus developing international business. The process of the domestic enterprises entering in the international market is rather complex and requires a systematic approach to formation, implementation and realization of the international integration strategy.

Research on the international business development strategies has been highlighted by V. Prohorova [1], G. Kindratska [2], V. Rybintsev [3], L. Hrynevych [4], H. Teplynskyy [5], Ya. Tkachuk [6], S. Dymydenko [7], H. Ansoff [8], Jane E. Dutton, Robert B. Duncan [9], A. Townsend,

S. DeMarie, A. Hendrickson, M. Whitman [10]. However changeability of external environment and conditions of international businesses functioning point out an area in need of further research.

The aim of the research is to substantiate promising innovative areas of strategic management that facilitate effective development of international business. In the process of this research general scientific methods (deduction, induction, analysis, abstraction, modeling, generalization) and specific methods (methods of strategic and matrix analysis) have been used.

2. RESULTS

The analysis of the critical success factors has shown that the most important among them are:

- Promising business idea;
- Real development strategy;
- Team of talented employees;
- Available financial resources.

In practice we observe situation that enterprisers are focusing on the two keys for success: finding a promising business idea and financial resources for its implementation. Underestimation of the other two important factors does not allow achieving expected results.

Strategic management is an important part of the overall management system in enterprises. It includes strategic analysis, planning, directly elaboration of the development strategy, its implementation, realization and monitoring.

Organization's strategic management functions are controlled by the general manager of a company – CEO. He or she defines the strategic direction of the business. In the European management model the elaboration of development strategy is the obligation of the general manager – CEO (Chief Executive Officer). CEO is on the top of management hierarchy, and all subordinated managers are responsible for different segments: finance, marketing, HR, R&D, IT and realize the strategic objectives of CEO.

In the American model of the management system the CEO manager oversees the development strategy and subsequent work but in big companies such decisions agreed by the Board of Directors. In the American model the Board of Directors is on the top of management hierarchy and it includes the company's founders, former CEO managers, specialists from different management spheres. The prominent examples of effective management are the models based on General Electrics, Walmart, Coca-Cola and other big American companies. Among them, the general manager – CEO and at the same time a member of the Board of Directors determines strategic priorities and directions of the entire company.

In Ukraine's large companies models similar to the European ones have appeared recently. However, one of the problems lingering the process of economic development of entities in Ukraine is the low level of strategic management culture. Most of the enterprises, institutions and organizations of our country do not have a real strategy that determines the direction of development. A lot of enterprises set themselves a common goal – to gain revenue and they do not want to detail specific areas of this goal achieving.

In order to achieve the expected positive results modern enterprisers regardless of company size or type should ensure a clear strategic management process (Fig. 1). All stages of strategic management have to be carried out in this certain order. If the previous step is not properly or not fully executed, the next will not give the expected results.



Fig. 1. The strategic management of foreign economic activity of enterprises. Source: authors' elaboration.

Without belittling the importance of each step of the strategic management process and taking into consideration international business features, strategic analysis stage should be given more attention. This is because the company entering the international arena should be well familiar with the situation in this market. Therefore, the question of competition, individual competitiveness, and opportunities of entering into new markets need special attention.

Modern theory and practice of strategic management are a number of methods of strategic analysis, most of which are represented as matrices. Each matrix describes the specific parameters of the company or the environment. A manager should assess all the options on the three levels to ensure effective strategic management:

- Microlevel, i.e. assessment of the internal environment of the company, examination of its internal problems and opportunities;
- Mesolevel, i.e. analysis of the industry in which the company operates, the assessment of supply and demand in a particular area, study competitors, mapping strategic groups of competitors;
- Macrolevel, i.e. assessment of the enterprise environment, namely economic, organizational, legal and other factors that influence the development of entities.

In order to organize and conduct a comprehensive strategic analysis following classification of methods for strategic assessment matrix within three analytical levels has been grounded (Fig. 2).

Some of the matrix are layer-type, i.e. covering the characteristics of different levels, such as matrix SWOT, showing strengths and weaknesses of the company (micro level) and opportunities and threats of the external environment (macro level).

Highlighted in Fig. 2 matrix approach to the assessment of a particular company in the environment is not alternative. Each of them characterizes the certain parameters. It is therefore advisable to use several matrix methods of different levels in strategic management.

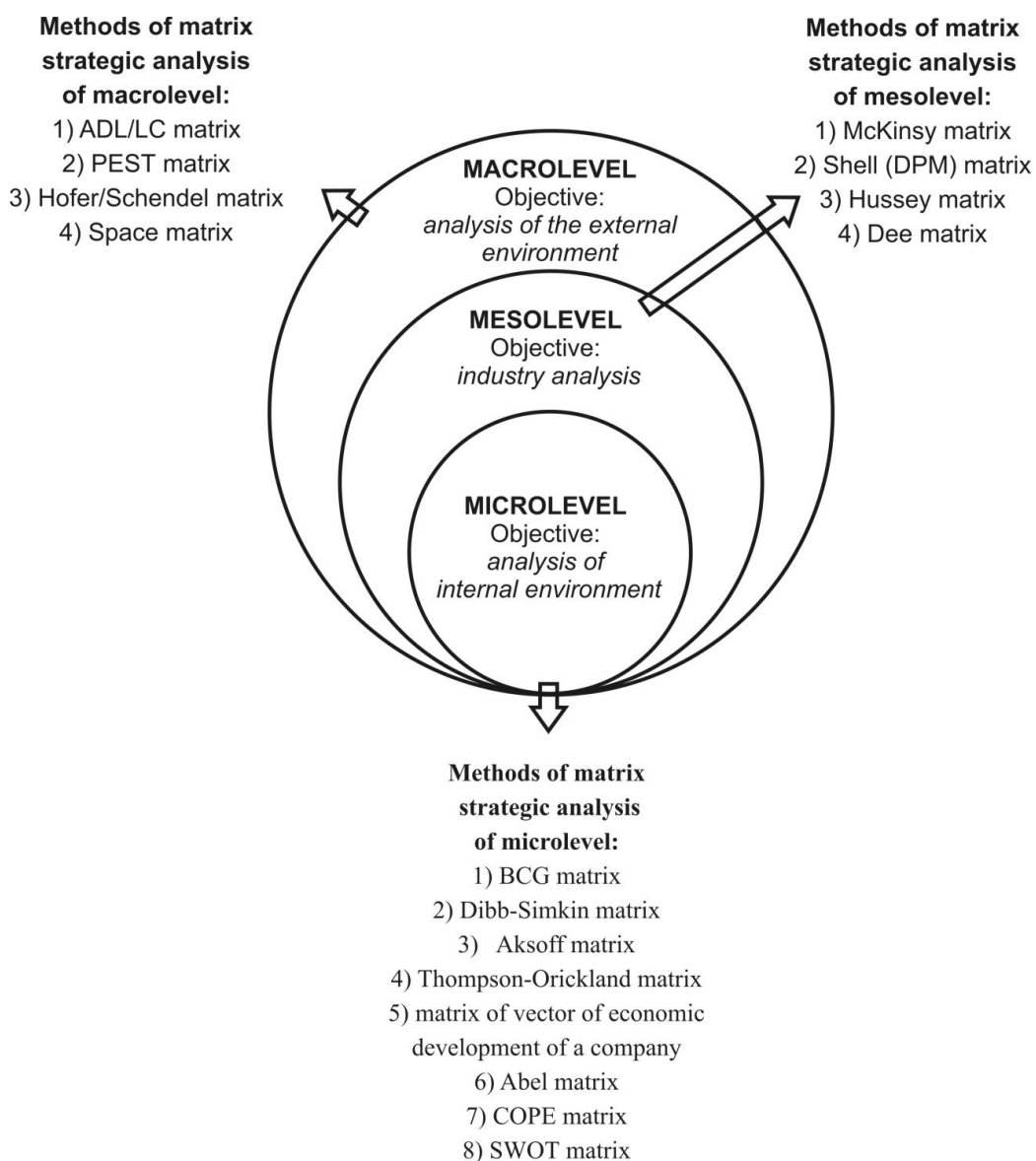


Fig. 2. Classification of matrix methods of strategic analysis at different levels of the enterprise functioning.
Source: authors' elaboration.

There is no doubt that matrix diagnostics of prospects of enterprises' foreign economic activity should be started with an analysis of the macro environment. PEST-analysis has been chosen from all known methods of matrix analysis, as it provides a comprehensive assessment of the possibilities for development (table 1).

		Factor	Probability of occurring	Degree of influence	Weighted Score
Political	1	Changes in legislation on the regulation of foreign economic activity of enterprises	0,25	4	1,00
	2	Signing the economic part of the Association Agreement between the EU and Ukraine	0,05	5	0,25
	3	Improving the business environment	0,20	5	1,00
	4	Decentralization of authority, administrative reforms	0,35	3	1,05
	5	Termination of ATO in the east of Ukraine	0,15	5	0,75
		Impact of political factors	1,00	X	4,05

Economic	1	Growth of effective demand in the country	0,18	4	0,72
	2	Increase of attracted investments in the economy of Ukraine	0,25	5	1,25
	3	Development of large innovative and technological enterprises	0,10	5	0,50
	4	Reducing the inflation rate, which complicates the exchange of commodities with foreign partners	0,01	5	0,05
	5	Reducing the interest rates on credits in national currency	0,01	5	0,05
	6	Development of international tourism	0,15	4	0,60
	7	Growth of investment attractiveness of Ukraine	0,13	5	0,65
	8	Improving economic conditions for doing business	0,17	4	0,68
		Impact of economic factors	1,00	X	4,50
Social	1	Increasing the level of purchasing power	0,14	5	0,70
	2	Increasing the level of knowledge of foreign languages among the people	0,18	4	0,72
	3	Formation of a strong public position concerning investments in the economy by labor migrants	0,20	3	0,60
	4	Growth of social tension in the country	0,27	2	0,54
	5	Presence of a powerful human and scientific potential for development of business, including international one	0,21	2	0,42
		Impact of social factors	1,00	X	2,98
Technological	1	Presence of geographic, climatic and other conditions for sustainable development of foreign economic activity	0,30	5	1,50
	2	Development of technical and technological production facilities	0,13	4	0,52
	3	Potential for renewable energy	0,27	4	1,08
	4	Availability of inventions, patents for innovations	0,20	3	0,60
	5	Revitalization of scientific and technological parks, creation of industrial zones	0,10	4	0,40
		Impact of technological factors	1,00	X	4,10

Tab. 1. PEST-analysis of the prospects of Ukrainian enterprises' foreign economic activity development.

Source: authors' elaboration.

The conducted analysis has showed that the prospects for the active development of foreign economic activity first of all depend on economic factors (impact is 4.50), technological (impact is 4.10) and political factors (impact is 4.05). Social factors play slightly smaller role (impact is 2.98) (Fig. 3).

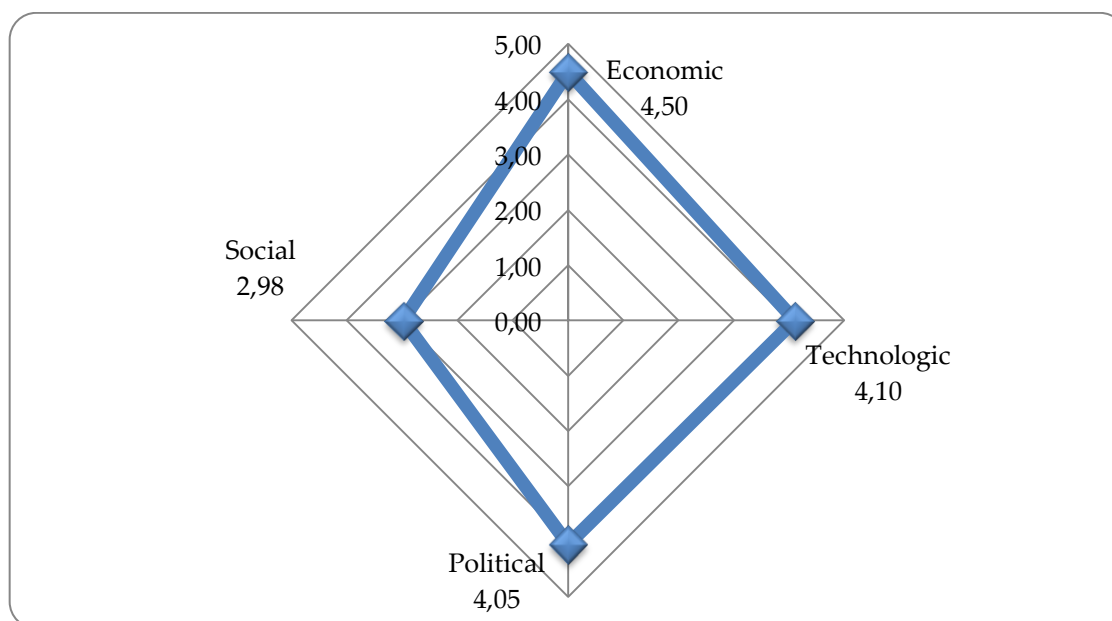


Fig. 3. PEST-analysis of the factors influencing the development of foreign economic activity of Ukrainian enterprises. Source: authors' elaboration.

During the PEST-analysis unsatisfactory trend has been found. This trend shows that the important factors with huge impact on the analyzed process have a low probability of occurrence. In other words changes most needed for the development of international businesses have a low probability of realization.

When choosing ways of matrix analysis the methods used in foreign enterprises, i.e. potential partners for cooperation, should be considered first of all. Methods of economic diagnosis are also very important [11].

The findings presented above suggest that a rational approach to strategic planning of foreign economic activity should include such important organizational principles:

- 1) strategic plan of the company should be prepared for 5 years based on the phased algorithm with a systematic review of the objectives relevance;
- 2) organization (systematically) of comprehensive strategic analysis at the micro, meso and macro level;
- 3) simultaneous use of several methods of matrix strategic analysis to ensure versatile monitoring, including those used in enterprises of potential foreign partners, as well as PEST-analysis;
- 4) organization of regular monitoring of the strategic objectives achievement using the methods of matrix assessment.

3. CONCLUSIONS

The proposed algorithm of strategic management using a wide range of matrix assessment methods at the stage of strategic analysis and applying organizational principles can provide high efficiency in the process of defining and implementing the strategy of a company development. Conducted PEST-analysis of the prospects for the development of foreign economic activity of Ukrainian enterprises has showed that there is a high potential for activation of the investigated process if a number of economic, technological and political issues is solved.

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Address: Valentyna Yakubiv, Iryna Hryhoruk: Vasyl Stefanyk Precarpathian National University, 57, Shevchenko Str., Ivano-Frankivsk, 76018, Ukraine.

E-mail: yakubiv.valentyna@gmail.com.

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Зміна зовнішніх умов функціонування підприємництва в Україні, євроінтеграційний вектор розвитку країни, поширення експортно-імпорتنих операцій сприяють активізації зовнішньоекономічної діяльності. Сучасна методика стратегічного управління та стратегічної діагностики повинна розвиватись й удосконалюватись у відповідності до міжнародних вимог та потреб управлінців як в Україні, так і партнерів за кордоном. Тому обґрунтування інноваційних

напрямів розробки стратегій розвитку підприємств на міжнародній арені як складової стабільного становлення економіки є важливим і необхідним.

Метою даної статті є обґрунтування інноваційних підходів до планування, розробки і реалізації стратегії, а також проведення комплексної діагностики стратегічного потенціалу розвитку зовнішньоекономічної діяльності підприємств.

У процесі наукового дослідження використано такі методи: логічної абстракції, моделювання, PEST-аналіз, системний аналіз, графічний.

Основними результатами дослідження є: 1) розкриття особливостей побудови системи стратегічного управління у міжнародному бізнесі; 2) аналіз європейської та американської практик організації стратегічного управління зовнішньоекономічної діяльності підприємств; 3) обґрунтування алгоритмічної схеми організації процесу стратегічного управління на підприємствах України; 4) обґрунтування методики організації системного трьохрівневого стратегічного аналізу з використанням методів матричної оцінки; 5) класифікація основних методів матричного аналізу в межах груп: макрорівень, мезорівень, макрорівень; 6) здійснення комплексної діагностики стратегічного потенціалу розвитку зовнішньоекономічної діяльності підприємств України.

За результатами дослідження обґрунтовано основні інноваційні напрями і принципи стратегічного управління зовнішньоекономічною діяльністю та комплексну методику стратегічного планування на основі інноваційних матричних методів.

Ключові слова: стратегічне планування, зовнішньоекономічна діяльність, стратегічний аналіз, інноваційні методи, діагностика, підприємства.