

THE FORMATION OF THE ENTERPRISE'S CORPORATE STRATEGY IN THE CONTEXT OF GLOBALIZATION

UDC 658.14/17

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The features of the formation of the enterprise's corporate strategy in the context of globalization are described. It is specified that such management functions as strategic planning, organization, motivation, control and regulation are the basis of the process of forming the enterprise's strategic set. It is determined that during the formation of any strategy one should provide new opportunities, such as: markets that can be entered, the capacity of every consumer market, new products, the definition of programs for promotion and distribution, the sequence of entering the market. The basic phases of the enterprise's development and the system of strategic management in the context of globalization for the purpose of achieving the competitive advantage, namely: the development in the national scale, the growth of export activity, the offshore production, the internationalization of the enterprise, the globalization of the enterprise are defined.

Key words: globalization, the corporate strategy of the enterprise, competitiveness, competitive advantages.

ФОРМУВАННЯ СТРАТЕГІЇ РОЗВИТКУ ПІДПРИЄМСТВА В УМОВАХ ГЛОБАЛІЗАЦІЇ

УДК 658.14/17

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Охарактеризовано особливості формування стратегії розвитку підприємства в умовах глобалізації. Уточнено, що основою процесу формування стратегічного набору підприємства є функції управління: стратегічне планування, організація, мотивація, контроль та регулювання. Визначено, що в процесі формування будь-якої стратегії слід виділяти нові можливості: ринки, на які можна вийти; місткість кожного споживчого ринку; нові види продукції; визначення програм просування та розподілу; послідовність, у якій доцільно виходити на ринок. Окреслено основні фази розвитку підприємства та систему стратегічного управління в умовах глобалізації з метою завоювання конкурентної переваги, а саме: розвиток у національному масштабі; зростання експортної діяльності; виробництво за кордоном; інтернаціоналізація підприємства; глобалізація підприємства.

Ключові слова: глобалізація, стратегія розвитку підприємства, конкурентоспроможність, конкурентні переваги.

ФОРМИРОВАНИЕ СТРАТЕГИИ РАЗВИТИЯ ПРЕДПРИЯТИЯ В УСЛОВИЯХ ГЛОБАЛИЗАЦИИ

Охарактеризованы особенности формирования стратегии развития предприятия в условиях глобализации. Уточнено, что основой процесса формирования стратегического набора предприятия являются функции управления: стратегическое планирование, организация, мотивация, контроль и регулирование. Отмечено, что при формировании любой стратегии следует выделять новые возможности: рынки, на которые можно выйти; вместимость каждого потребительского рынка; новые виды продукции; определение программ продвижения и распределения; последовательность, в которой целесообразно выходить на рынок. Очерчены основные фазы развития предприятия и система стратегического управления в условиях глобализации с целью завоевания конкурентного преимущества, а именно: развитие в национальном масштабе; рост экспортной деятельности; производство за рубежом; интернационализация предприятия; глобализация предприятия.

Ключевые слова: глобализация, стратегия развития предприятия, конкурентоспособность, конкурентные преимущества.

Among many factors of the contemporary stage of global economic growth the most important one is the acceleration of globalization of economic relations by means of interdependence and mutual influence of different sectors of the economy in the framework of international relations. The ways of production and distribution of finished products are increasingly gathering the internationality, supply chains between the producer and connected structures are gradually extended, becoming more challenging and high-priced.

In the context of globalization it is required to make a search for efficient production and logistics solutions that are able to take into account the complexity of supply chains' configuration, the geographic level of business transactions, multidimensionality and the integration of material flows.

In recent times, the phenomenon of globalization has been thoroughly studied in economics [1 – 7]. The significant contribution to the formulation, conceptualization and development of general theoretical and applied problems of the globalization has been made by foreign and national researchers of the globalization theory such as: A. Blinder, V. Galchinskiy, V. Geets, A. Greenspan, M. Intriligator, G. Kolodko, P. Krugman, T. Levitt, A. Lisetskiy, G. MacLean, M. Porter, R. Robertson, P. Samuelson, G. Soros. The questions of globalization processes and competition have been recently discussed. The research of competition in the globalization of global economy is based on the economic theory of competition (A. Smith, D. Ricardo, A. Cournot, L. Walras, J. Robinson, H. von Stackelberg, E. Chamberlin). The basic model for the analysis of the nature and level of competition has become traditional; it was created by M. Porter and is used in the formation of strategy formation. In the national literature the concept of competitiveness is mainly considered beyond the global analysis, because the main problems of enterprise competitive growth remain poorly understood in the globalization of world economy.

The purpose of this article is to identify the aspects and results of the economic globalization's impact on the enterprise's competitiveness and to develop recommendations for selecting the vector of the enterprise's corporate strategy.

From the point of view of modern experts in globali-

zation, the current period of globalization has the negative connotation and its benefits are put in doubt. Under the influence of globalization, network product markets are appearing where economic relations have a specific character. Vertical and horizontal integration of the economy is accompanied with autonomy of economic agents. For example, a small firm associated with a large corporation via relevant franchise contractual relationship, is capable to join many other interactions and cooperation. Such economic innovations displace hierarchical forms of business organization in the modern economy: it assumes the character of the network of economic agents and their interactions [1; 8; 9].

According to A. Leontev, the essential characteristic of this process is that today, during the systemic crisis, the transition to a new type of economy with new and unknown types of goods and information technologies is just a harbinger of the new economy [10].

Market status of the enterprise in addition to internal and external factors of competitiveness depends on a number of "qualitative" factors (components of the competition). Among the qualitative components of the competition there are: openness to the outside world, the mobility of labor force, work ethics, readiness to work in the service sector. According to M. Porter, the globalization often provides for company's growth that is consistent with its strategy, opening large markets for the focused strategy. In contrast to the inner expansion, the expansion during the globalization may contribute to the acquisition and consolidation of the unique position, identity of the company and the development not of a local strategy, but the global one... It is not surprising that research and corporate practice in the context of international strategy become increasingly important for many companies during the globalization of business competition. The main attention of specialists in the development of international strategy is attracted by the ability of multinational (transnational, international) companies to create competitive advantages through the network activity on world markets. Global strategy associated with the expansion of a company in many countries is considered as a powerful means of economy's achievement based on production growth, quick

adaptation to the needs of international markets and impactful entrance to worldwide resources such as capital, labor, raw materials and technology. Even according to authors such as K. O mae, R. Reich, C. Bartlett and S. Ghoshal, there are no national boundaries for a global company. But despite the fact that companies really compete on a global scale, and such costs as raw materials, capital and scientific knowledge move freely all over the world, there is the irrefutable evidence that the activities on the local markets continue to play the fundamental role in the obtainment of competitive advantages, according to the model of M. Porter. However, due to the intense expansion of economic networks, the importance of basic competitive forces, according to Porter's Five Forces Model (Threat of new competition, Threat of substitute products or services, Bargaining power of customers (buyers), Bargaining power of suppliers, Intensity of competitive rivalry) is leveling: the impossibility to assess objectively the performance of industry's profitability, the assumption that the strength of five factors is the same for all competitors in the industry, the simplification of some concepts, such as industry structure [11].

The mechanism of forming the enterprise's strategic set is a system of methods, procedures, guidelines, criteria and processes for developing and providing the implementation of the strategic directions of development. The formation set of the enterprise's strategic is the management process and the following management features are its foundation, such as:

strategic planning – to develop individual strategies and the strategic set;

organization and **motivation** – to provide the effective formation of the strategic set by creating specific organizational and methodological conditions;

control – to analyze and evaluate strategies to determine the level of achievements;

regulation – to do some changes in case of deviations between planned and actual results.

It should be noted that one of the important objectives when forming the enterprise's strategic set is the provision of interaction between external and internal environment [12].

In this regard, A. Prisyagina emphasizes that for the creation of a successful international company there should be the clear formulated strategy as a complex system of setting and implementing the strategic objectives of the enterprise, based on the environment prediction and development of ways to adapt to its changes that include:

the definition of the enterprise's type, method of business management and ownership, analysis of the strengths and weaknesses (SWOT-analysis is used); the formulation of the basic conditions of the company's business (investment and development, quality management, planning, cost control, management and accounting, information management);

the development of the enterprise's mission, development of objectives; philosophy of the enterprise.

The strategy of the company must meet current market requirements and ensure the success of the enterprise in the future. In the formation of any strategy it is necessary not only to take into account changes in the environment such as expanding range of products, new technologies and products, dilution of boundaries between industries, increased competition and rapid deterioration of information, development of network structures, but also to provide new opportunities such as: markets for entrance, the capacity of every consumer market, new products, the definition of promotion and distribution programs, the sequence for

market entrance [13].

It is necessary to clarify the question concerning phases of development that the enterprise must go through in the globalization (Figure).

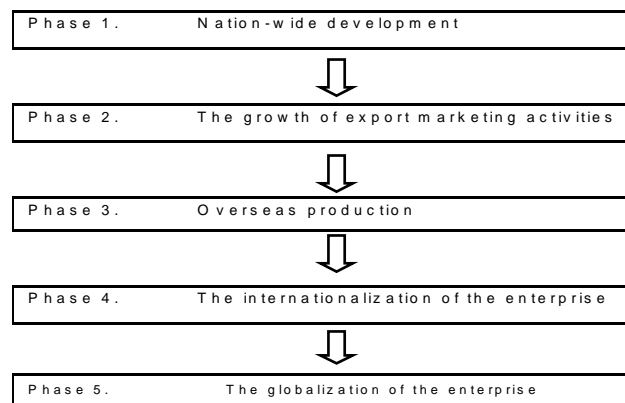


Fig. The basic phases of the development of the enterprises in the context of globalization

Phase 1. Nation-wide development. On national basis, the enterprise has to do its best to get its specific benefits. At this stage it is not interested in penetrating into foreign markets, especially in cases where the size of internal market is sufficient.

Phase 2. The growth of export marketing activities. The enterprise has reached the appropriate production output and seeks to expand markets and starts to export products in order to eliminate gaps of realization.

Phase 3. Overseas production. Production is moved around over the sea where branches of the enterprise are opened. It is expected to reduce transportation costs and give other benefits provided by the host country, such as low labor costs, availability of raw materials, receiving of grants.

Phase 4. The internationalization of the enterprise. It enters the markets of several countries and tries for the consolidation of all international transactions. It is essential to share the final products and their components between foreign affiliates and the parent company.

Phase 5. The globalization of the enterprise. The decision is made to implement the globalization of all operations. At the central level, production and distribution operations are coordinated. The enterprise searches for partners in order to reduce the fixed costs of operation. It should be noted that the phases 4 and 5 must not necessarily come one after another, they can be carried out independently.

The mentioned development requires the formulation of the appropriate strategy to ensure the efficient operation of a business entity in each phase and prompt transition to the next one. At the first three stages the task of managers is to identify the place of the organization in the changing external environment, the research of possible opportunities and threats, realization of necessary adaptive actions. To be efficiently implemented, the strategy must be supported by the institutional structure, modern management system and flexible organizational culture. That is the only way to ensure the profitable competitive position for the enterprise in the national market and to create opportunities for its internationalization. The last two stages are characterized by problems of high complexity.

The global market is the goal of a growing number of

businesses and organizations that take care of the survival, they have to search new management methods and new forms of organization activities. The achievement of competitive advantage happens in a keen fight being the consequence of the functioning of the global market characterized by fierce competition, leading products, global technology competition, the development of international organizations such as conglomerates, multicompany enterprises, holding companies, network and virtual enterprises. In this situation, economic agents should carefully monitor the market development, engineering and technology in order to anticipate the behavior of customers and competitors. Their goal is to develop and implement high-priced programs and strategic steps, both at their own expense and with the assistance of extraneous capital. This means that the competitiveness of each enterprise depends on the ability to generate new products quickly and sell them on the global market.

In conclusion, the analysis of the level of the enterprise's competitive position (macroeconomic, industry-specific, enterprise level) involves the clarification of factors that impact more or less on its competitiveness. These factors are the starting point for developing the strategic vector of the enterprise's development, as only the enterprise that can adapt to changes takes advantage of flexible formation of production and distribution processes and is able to compete successfully in the international market. The emergence of the new type of competition (global hyper-competition) dictates the need for market participants to search for new forms of efficient operation, adapted to the conditions of aggressive global competition.

The prime factor in achieving competitive advantage is to create a team of managers and innovators who are highly interested in obtaining the results, and are able to implement the adopted plans and strategic programs. For efficient activity of managers and employees there should be the appropriate control system, namely:

- innovative - adaptable - elastic - efficient - prompt [14].

It should also be noted that there is no universal strategy. The successful strategy is the strategy consistent with the conditions of definite industry sector, experience and capital of the definite enterprise. Not only goods compete with each other, but also the strategy of market activities of enterprises and their managers, executive systems and working groups [15].

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