

DEVELOPMENT OF PERSPECTIVE STRATEGIES FOR ENSURING INTEGRATED ECONOMIC SUSTAINABILITY OF BUSINESS STRUCTURES IN CRISIS CONDITIONS

РОЗРОБКА ПЕРСПЕКТИВНИХ СТРАТЕГІЙ ЗАБЕЗПЕЧЕННЯ ІНТЕГРОВАНОЇ ЕКОНОМІЧНОЇ СТІЙКОСТІ ПІДПРИЄМНИЦЬКИХ СТРУКТУР В КРИЗОВИХ УМОВАХ

The practical implementation of the transition to the domestic market and a sharp reduction in export operations in the short term may be complicated by the lack of sufficient demand from the consumer segment. If the consumer segment is made up of households, the Group may face a decline in demand due to a fall in purchasing power in the context of the crisis and macroeconomic instability (rising regional unemployment, higher inflation) or the presence of existing competitors positioning themselves in this market niche and having a certain stable customer base formed, among other things, through loyalty policies. In the context of sales of inputs on the domestic market, in addition to the above, there may be a problem of inconsistency of technical standards and requirements in terms of different technical regulations and the possibilities of using inputs at domestic and foreign enterprises. Based on the above conclusions, it can be concluded that there is a need for a time lag for reorientation from export to domestic trade operations, and it is advisable to take into account the role of state support in stimulating demand for such products.

Key words: economic sustainability, entrepreneurial structure, integration, crisis conditions, provision.

Практична реалізація переходу на внутрішній ринок та різке скорочення експортних операцій у короткостроковому періоді може бути ускладнена відсутністю достатнього рівня попиту з боку споживчого сегмента. У випадку якщо споживчий сегмент утворюють домашні господарства, то тут можна зіткнутися із ситуацією зниження попиту через падіння рівня купівельної здібності в умовах розвитку кризи та макроекономічної нестабільності (зростання рівня безробітних на регіональному рівні, підвищення темпів інфляції) або наявності вже існуючих конкурентів, які позиціонують себе в цій ринковій ніші і мають певну стійку клієнтську базу, сформовану, в тому числі, завдяки політиці лояльності. В умовах реалізації на вітчизняному ринку засобів виробництва, крім вище згаданих, може виникнути проблема невідповідності технічних стандартів та вимог з погляду різних технічних регламентів та можливостей використання засобів виробництва на вітчизняних та зарубіжних підприємствах. На підставі наведених вище висновків, можна дійти висновку про необхідність наявності тимчасового лага для здійснення переорієнтації з експортних на внутрішньонаціональні торгові операції, а також доцільно враховувати роль державної підтримки у стимулюванні попиту на таку продукцію. Не менш актуальні напрями організації підприємницької діяльності у посткризовий період – інвестиційна діяльність на ринку спеціалізованих медичних послуг (орієнтованими на боротьбу з ускладненнями після перенесеної коронавірусної інфекції), на ринку дистанційних освітніх послуг, у сфері кур'єрських послуг тощо. Підвищення інвестиційної привабливості даних секторів економіки забезпечить, своєю чергою, синхронне зростання економічної стійкості підприємницьких структур. Запропоновані та проаналізовані стратегії підприємницького суб'єкта по відношенню до зміни рівня інтегрованої економічної стійкості слід розглядати комплексно, і на їх основі формувати конкретні лінії стратегічного управління контексті певної парадигми. Тому дуже важливо наголосити на ролі виробничої інтеграції для підвищення рівня взаємовідносин між постачальниками і споживачами, та зворотному напрямку інтеграції.

Ключові слова: економічна стійкість, підприємницька структура, інтеграція, кризові умови, забезпечення.

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Statement of the problem. The need for a time lag for the reorientation from export to domestic trade operations suggests that the role of state support in stimulating demand for such products should be taken into account. No less relevant areas of business activity in the post-crisis period are investment activities in the market of specialized medical services (focused on combating complications after coronavirus infection), in the market of distance education services, in the field of courier services, etc. Increasing the investment attractiveness of these sectors of the economy will, in turn, ensure a synchronous increase in the economic sustainability of business structures. The proposed and analyzed strategies of an entrepreneurial entity in relation to changing the level of integrated economic sustainability should be considered

comprehensively, and on their basis, specific lines of strategic management should be formed in the context of a certain paradigm. Therefore, it is very important to emphasize the role of industrial integration in improving the level of relations between suppliers and consumers, and the reverse direction of integration.

Analysis of recent research and publications. In accordance with the classical ideas of a number of domestic and foreign authors, including [1–10], it is planned to consider specific areas and categories that are formed within the enterprise, the parameters of which can be adjusted on the basis of certain evaluation procedures. For example, among other things, we can mention the existing financial management policy at the enterprise (impact on the level of financial sustainability), personnel

policy (impact on the level of staffing sustainability), organization of internships for staff (impact on the level of human capital sustainability), the existing system of intra-group conflicts resolution (impact on the level of organizational culture sustainability). At the same time, in our opinion, this approach is not comprehensive and does not allow assessing the impact of internal environment factors on the level of integrated economic sustainability, but rather indicates the impact on its components.

Statement of the task. Thus, there is a certain need to develop new approaches to assessing the level of influence of internal environment factors on the strategic provision of economic sustainability in a crisis.

Presentation of the main research material. The development of a strategy of any business entity in the classical view of many authors ([1–10]) is usually divided into three organizational levels, each of which corresponds to the current situation and can be used in different ways in the context of different crisis phenomena.

Let us consider them in more detail in terms of ensuring the required level of economic sustainability:

1. Functional level of strategic management

Functional strategies are short-term and are related to the direct operational activities of the enterprise, including human resource management, financial management, marketing activities and logistics support of the production process (both in the context of procurement and sales). These strategies are specific to structural units and take into account the peculiarities of organizational management in a particular business structure. For example, the human resources strategy will consider and regulate the processes of hiring and training employees to increase the level of human capital and ensure the company's growth in the market. By itself, the functional level of strategic management does not have a significant impact on the level of financial sustainability, so it is not decisive in terms of the economic behavior of a business entity.

2. Competitive level of strategic management

Competitive strategies should be understood as a long-term line of behavior of a business entity that is related to the methods of competition in a particular business model or industry. Information about competitors is necessary to formulate a competitive strategy and assess opportunities for potential growth of economic sustainability by using one's own advantages and disadvantages of other market participants. Any company needs to know who its competitors are and how they operate, as well as identify the strengths and weaknesses of potential competition. With this information, the company can develop an effective management strategy to gain competitive advantages and ensure the required level of sustainability and balance of business processes.

At this level, the impact of strategic management on economic sustainability becomes more apparent, as it is here that the necessary professional competences are formed to develop organizational and economic mechanisms for implementing crisis management.

3. Corporate level of strategic management

Corporate strategies are long-term and are related to the choice of the optimal combination of the business model and the general direction of the enterprise in the context of the territorial and sectoral breakdown and the impact of government policy and the existing system of regulation of business structures in the conditions of a particular national economy. Approaches to the implementation of different corporate strategies depend on this, as well as the period of the life cycle of the strategy formulation. The enterprise should consider how corporate strategies will be put into effect simultaneously with the establishment of the company, which will significantly increase the level of integrated economic sustainability.

For example, when developing a human resource management strategy that includes training employees in accordance with professional standards and the national qualification framework, it is necessary to take into account what educational and training and production technologies will be used in this process. For example, the use of distance technologies significantly reduces the cost of organizing training for employees, while at the same time, it is necessary to update the quality of the educational programs being implemented (both in-house and by third-party educational organizations). At the same time, a high level of quality will have a positive impact on the level of economic sustainability, forming the basis for the growth of human capital in the organization, otherwise, we can talk about a decrease in sustainability due to the low level of employee competencies and its inconsistency with modern requirements.

Figure 1 shows the key strategies aimed at increasing the level of integrated economic sustainability of the business structure in the face of crisis situations and phenomena.

Let us consider these strategies in more detail in the context of the specifics of their implementation and impact on the level of integrated economic sustainability.

1. Strategy to maintain the existing level of economic resilience by ensuring the stability of business processes

The first of the strategies under consideration is focused on maximizing the preservation of pre-crisis indicators and limiting the negative impact of crisis phenomena. The entrepreneur, in this case, proceeds from the expediency of ensuring a high level of sustainability of commercial activity due to certain conditions and already established competitive advantages. Thus, the course for the implementation

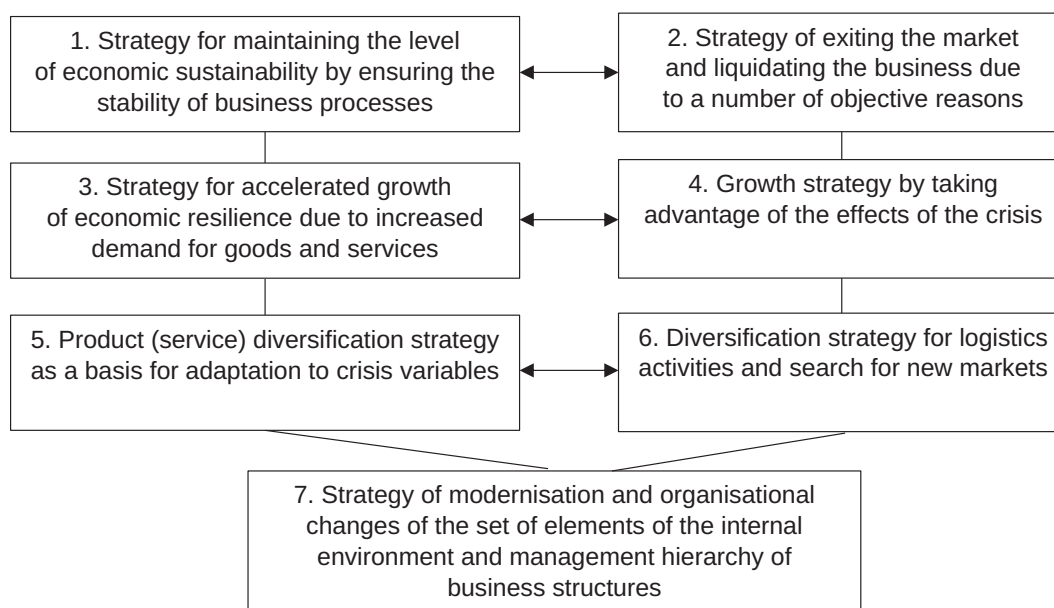


Figure 1. Key strategies aimed at increasing the level of integrated economic sustainability of the business structure in times of crisis [developed by the author]

of this strategy is laid down not at the time of the beginning or permanent development of the crisis, as can be observed in most real-life practice, but already at the stage of relative stability in the market. With regard to the global economic crisis caused by the coronavirus infection in 2020, it is very difficult to talk about the possibility of using previous forecasts due to a certain uniqueness for the international economy in the era of globalization. The lack of practical experience and comparative characteristics has prevented most national economies from developing a clear system of anti-crisis measures at the state level that would allow them to design individual trajectories for business entities and to adapt their activities to current challenges and new threats as much as possible, both during the crisis and in the post-crisis period, which is especially important for ensuring integrated economic resilience.

At the same time, the existence of a number of conditions and restrictions for doing business allowed a number of enterprises to implement the strategy of maintaining the existing level of economic sustainability by ensuring the stability of business processes.

2. The strategy of accelerated growth of economic resilience through increased demand for goods and services sold.

At first glance, this strategy is also rather idealized and difficult to implement in real crisis situations. Indeed, in previous economic crises, there was a significant decline in business activity, a decline in industrial production, and a decline in both aggregate supply and demand from most categories of consumers due to rising inflation, an increase in the number of unemployed, or a serious reduction in the market capacity for industrial products.

One of the few producers that were able to develop variably and cyclically in the face of classic crises were either producers of essential goods, for which demand remained at a certain level and was not subject to significant fluctuations, or large business structures, primarily industrial corporations and associations, which could participate in the execution of government orders, which made it possible to ensure a relatively high level of economic stability in the medium term. All other market participants were forced to reduce their economic resilience by potentially reducing funding for certain elements of the internal environment and reducing business activity, including in the context of total austerity in promotion and other marketing activities for products or services.

In the context of the epidemiological crisis, the opposite situation can be observed – a significant increase in productivity and income of a number of business structures, including those with state participation or created through the use of public-private partnership mechanisms, while reducing the sustainability of most enterprises and organizations in many sectors of the national economy.

In the context of business organisation in our country, we can talk about the compliance of the solution to the problems of the crisis situation with the global practice of preventing the spread of a new infection, which provided for a significant reduction in the opportunities for economic sustainability for most organizations and enterprises in terms of the introduction of certain restrictions.

3. The strategy of exiting the market and liquidating the existing business due to a number of objective reasons.

In contrast to the previous two strategies, which are focused on preserving the business in the current

crisis, the third strategy involves closing the business and leaving the market for a number of reasons. In this case, we emphasise the fact that such reasons are objective, i.e. the rational nature of the business entity's behaviour and its ability to assess market prospects in a long-term context, rather than focusing solely on the short-term nature of the current crisis. In this case, an incorrect assessment of future development prospects in the post-crisis period may lead to unreasonable management actions related to both partial and complete closure of a business. This statement is particularly evident in the context of a non-economic crisis, when the artificial suspension of business processes in the short term did not lead to a significant reduction in demand after the main phase of the current crisis had passed.

4. The strategy of diversification of service products as a basis for adaptation to changing crisis conditions.

Another strategy that can be used to adapt to crisis conditions and has been actively studied in the works of such authors as [6, 7, 8] and other economists is the strategy of business diversification, which involves a reorientation to the production of modernized, modified or completely new products to meet the existing segment of the consumer market.

This variation requires certain material costs of varying magnitude (depending on the scale of business activity), which in a crisis can only be met if the technological support for the implementation of new business ideas is relatively identical. The most typical and classic case is the production of dual-use products (used both in the military industry and for civilian purposes) and the reorientation from government, in particular defense, orders to market demands and vice versa.

5. Diversification strategy of logistics activities and search for new markets.

This strategy is a derivative of the general strategy of diversification of business activities and involves not modifying or changing the product or service itself, which can be very costly in a crisis, given the not always clear prospects for achieving the planned economic effect, but trying to secure access to a new market. In line with the concepts of marketing theory, there are several areas for such strategic actions, including;

- reorientation from foreign economic activity and export operations in favour of selling products and services in the domestic market;
- abandoning export-import cooperation with counterparties from unfriendly countries in favour of expanding economic relations with trade representatives of states and interstate associations from other regions of the world;
- searching for new consumer segments in existing markets as a classic variant of diversification.

6. Growth strategy by using the "advantages" of the consequences of the crisis.

Another growth strategy of business structures is associated with the use of possible competitive advantages that have emerged in the conditions of the end of the crisis or the post-crisis period.

This statement should be considered in the context of the permanent nature of modern crisis phenomena, when their end may be temporary and not always correspond to the theory of economic cycles. In this regard, we can talk about a certain level of identity of the declared growth strategies, both of which are aimed not only at maintaining the pre-crisis level of integrated economic sustainability, but also at increasing it by using obvious competitive advantages and the existence of significant demand for certain goods or services.

7. The strategy of modernization and organizational changes of the set of elements of the internal environment and the management hierarchy of business structures.

In our opinion, the last of the strategies under consideration is the key one and forms the organizational and economic basis for choosing any other strategy, perhaps, with the exception of the strategy of exit from the market, focused on the complete cessation of business activity in the conditions of crisis, since it involves fundamental changes in the internal environment of the enterprise, primarily in terms of

- transformation of the organizational structure and its structural elements, including changing its type;
- redistribution of functional and job responsibilities between team members with delegation of authority based on the specifics of the crisis;
- changing the overall management hierarchy, adjusting the mission and purpose of the business, etc.

Returning to Figure 1 and based on the analysis of each of the stated strategies, we can note the mirror nature of a number of the above anti-crisis strategies. Among the diametrically opposed approaches to economic behavior of business structures, we should note the mirroring of such management actions as:

- continuing to operate in the market in the pre-crisis format (through the use of state support instruments and stimulation of own pre-crisis growth reserves and partnerships at the intra-industry or regional level) and complete withdrawal from the market (involving investment of the released assets in new business as an alternative strategy of economic behavior as opposed to consumption and savings);
- different approaches to the diversification of production and economic activities, which are not necessarily in complete contradiction and can be synchronized in relation to specific market conditions;

– a general growth strategy, differentiated based on the formation of strategic advantages directly in the crisis and in the post-crisis period with a change in strategic management tools based on consumer demands and government regulation and support measures, as well as other systemic environmental factors.

Conclusions from the study. Thus, the rational behavior of a business entity within the framework of this strategy implies a balanced approach to decision-making on unconditional business liquidation. In our opinion, this conclusion should be taken into account when conducting current operational activities and searching for available reserves for cost savings/income increase, depending on the specifics and model of business processes organization of the business structure itself, its territorial and sectoral focus and positioning in the chosen market. In the case of socio-economic justification of management decisions on liquidation (full or partial) of the existing business, the entrepreneur should take into account the possibility of a decline in the effectiveness of anti-crisis measures or initiated bankruptcy proceedings due to a decrease in the capitalization of the business structure that is most liquidated in the context of crisis phenomena.

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