

## STRATEGIC MANAGEMENT FOR ACTIVITY OF AGRARIAN ENTERPRISES OF UKRAINE

## СТРАТЕГИЧЕСКОЕ УПРАВЛЕНИЕ ДЕЯТЕЛЬНОСТЬЮ АГРАРНЫХ ПРЕДПРИЯТИЙ УКРАИНЫ

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**Abstract.** *Under modern economic conditions, agrarian enterprises of Ukraine have an objective need to develop strategic directions of management under conditions of uncertainty. Ukrainian farmers are forced to compete not only with each other, but also with producers-importers of agricultural products, who usually have more efficient technologies of production and distribution, so some farmers choose "niche crops" for further priority of business development. In the course of the research, the strategic directions of management of agrarian enterprises of Ukraine were determined; analyzed the factors influencing the modern development of agrarian enterprises under conditions of environmental uncertainty; the conditions of realization of strategic decisions are considered; the main goals of strategic management of competitiveness of agrarian enterprises are defined.*

**Keywords:** *agrarian enterprises, strategic directions of development, agrarian enterprises development, strategic management priority objectives, strategic decisions of agrarian enterprises.*

**JEL:** *Q1; M1*

### **Formulation of the problem**

The process of change currently observed in Ukraine has penetrated into all spheres of economic life. The formation of market relations of the agro-industrial sector is closely linked with the strategic direction of the industry. The world community recognizes Ukrainian agro-industrial complex as having real prospects for conquering a significant segment of the international market of agricultural products.

### **Analysis of recent research and publications**

Foreign and domestic scientists: I. Ansoff, V. Ya. Ambrosov, V. I. Boyko, M. Y. Malik, M. M. Martinenko, V.D. Nemtsov, V.O. Tochilin, V.V. Chepurko, M.M. Fedorova, Z.E. Shershneva, A. Yu. Yudanov and others.

### **Setting objectives**

Under modern economic conditions, agrarian enterprises have an objective need to develop priority and strategic directions for their development under conditions of environmental uncertainty. Domestic farmers are forced to compete not only with each other, but also with producers-importers of agricultural products, which usually have more efficient technologies of production and distribution, so to deepen the study the following tasks were set: to identify strategic directions of agricultural enterprises in Ukraine; to analyze the factors influencing on the modern development of agricultural enterprises under conditions of environmental uncertainty; to consider strategic decisions of management of the agrarian enterprises of Ukraine.

### **Presentation of the main research material**

The strategic direction of development of agrarian enterprises is a process of maintaining agreement between the goals of agricultural enterprises and the resources it has, under market conditions and the rules of state regulation, which are constantly changing.

Among the factors influencing on the modern development of the agrarian enterprise are the following: management and management system, the nature of production relations, the level of economic development, natural resources and land structure, technical level and condition of fixed assets of the agrarian enterprise, labor resources, transport geographical conditions, etc. Crucial are economic factors the rational use of natural and land resources depend on, satisfying consumer demand, preserving the environment, etc. [Hayduts'kyi P. I., Sabluk P. T., Lupenko YU. O., 2009].

One of the priority tasks of agro-industrial policy is the formation of an effective mechanism of state regulation in the agro-industrial complex [Zinovchuk V. V., 2007]. With the possibility of exporting agricultural products abroad, Ukrainian farmers faced the problem of developing adaptation mechanisms that would promote sufficient flexibility in the behavior of economic entities at the foreign market and their effective management decisions. In addition, there are other negative aspects of foreign economic activity of domestic entities of agro-industrial complex.

Under modern conditions of management and administration, a large number of agrarian enterprises have the right to enter the world market independently, where success significantly depends on strategic decisions.

Among the main (necessary) conditions for the implementation of strategic management decisions are the following [Korchevs'ka L.O., 2016]:

- minimization of costs of growing agricultural products in order to gain a leading position compared to the pricing policy of competitors in the industry. Today it is quite difficult for domestic farmers, as the main competitors for Ukrainian farmers are Turkish and European farmers, who grow the same products with the largest volume at almost the same selling price for the international market. The only thing that farmers can make their own bets in the case of implementing this strategy is a combination of this strategy with socially responsibility, namely openness and transparency of their own cultivation process, demonstration of compliance with the basic principles of the Global Compact Network, compliance with responsible supply chain management, project implementation. and corporate social responsibility programs, etc. This tool

is mostly ignored by Turkish farmers due to their high cost, which is automatically reflected on the price of products;

- differentiation. The main disadvantage in the implementation of this strategic direction is the need to constantly adhere to technological advantages over major competitors, because for this administration of agrarian enterprise must direct a significant amount of its own financial resources for research and innovation in growing certain vegetables. In addition, it is necessary to adhere to a high level of quality of agricultural products;

- Focus or niche strategy. This strategy is completely new for domestic farmers, as it assumes a price advantage or a unique offer [Economic potential of niche crops, 2021].

The structure of the process of developing the strategy of the agrarian enterprise can be represented in general by three main elements, which include analysis, selection and implementation /

Strategic analysis is to determine the strategic position of agrarian company, ie how the capabilities of agrarian company correspond to its competitive environment. The main directions of analysis here are changes in the external environment, which can significantly affect the functioning and development of agrarian company; potential capabilities of an enterprise (land, material, financial, technical, human resources, etc.) [Sokolenko S.Y.,2012].

Choosing the strategic direction of its own competition, the administration of the agrarian enterprise must understand that the system of strategic general corporate competitiveness management should be an integral part of more complex and hierarchically higher systems: strategic competitiveness management of the region and the industry as a whole (Fig. 1).

Among the main principles of strategic management of a agrarian enterprises are: system approach (priority, clarity, feasibility, complexity, phasing, integration, dynamism):

- The principle of priority is that the main strategy should be "decomposed" into operational plans, which, in turn, should have a clearly defined order. In addition, the management of the agrarian enterprise must always maintain the priority of strategic plans for rapid response to changes in the business environment;

- the principle of clarity is based on the fact that all strategic goals must be clear, specific, realistic in terms of their feasibility, with deadlines, ie the rule of smart-goals should be applied to them;

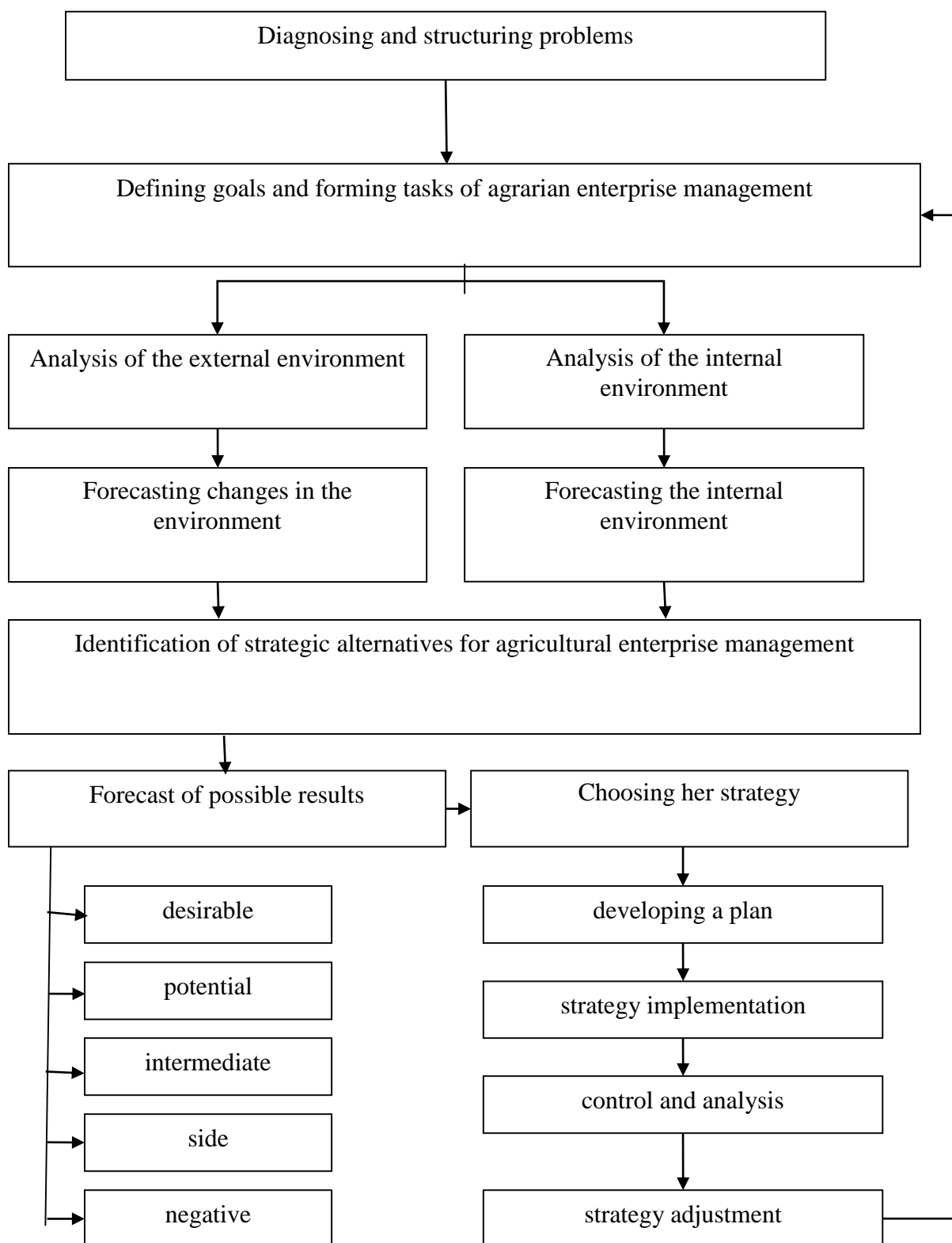
- the principle of feasibility is the need to set goals on the verge of their implementation, but they will have a greater opportunity to achieve them;

- the principle of complexity. To determine and develop an effective strategy for managing the competitiveness of an agrarian enterprise, it is necessary to carry out a detailed and in-depth analysis of real and potential factors of influence (external and internal), as well as to determine the degree of influence of a factor;

- the principle of integration is the need to develop such a management strategy of an agrarian enterprise, the effect of which can be an adequate and effective component of the management strategy of the industry as a higher level object (industry, region, country);

- the principle of dynamism. When choosing a management strategy for an agrarian enterprise, the company's top management must leave "room for maneuver", ie the ability to make adjustments and modify certain details of the strategy;

- the principle of adaptability. This principle is decisive in the case of choosing a situational approach to strategic management.



**Fig. 1. The process of strategic management of the agrarian enterprise**  
 Source: edited by the authors on the basis of [Advokatova N.O., Karnaushenko A.S., 2019]

Creating profitable and competitive agricultural products that satisfy global quality requirements in market conditions is the main strategic direction of Ukrainian farmers. To achieve this, it is necessary to create an effective management system at the enterprise, based on several criteria that determine the competitiveness of products: cost, quality level that satisfies the requirements of international standards and the appropriate level of storage and transportation of products [Ukrainian farming: features, problems, prospects, 2021].

It helps to understand the need for management decisions, to outline strategic directions for the development of the industry. The program is a consistent list of the main stages and activities to be implemented during the recovery of the industry.

#### **Conclusions from the study**

The strategic management of agrarian enterprises of Ukraine is based on the general mission or concept of the enterprise (ie on the general philosophy, the only direction of activity, what farmers want to achieve in the future and what the model of its perspective state aspires to). This differs from the basic strategies of enterprise development. Strategic management of the agrarian enterprise is implemented on the basis of application of the system approach (achievement of the purposes) on a non-standard situation on the chosen horizon (interval) of planning for enterprise activity. Today, in the context of growing demand for Ukrainian agricultural products in domestic and foreign markets, farmers can apply approaches to strategic management based on focusing on priority and strategic areas of their development.

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