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**EXPEDIENCY OF USE OF STRATEGIC TOOLS FOR ECONOMIC DEVELOPMENT  
OF AN ENTERPRISE**

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The article revealed the cognition and application of strategic management tools by enterprise managers in the context of rapid development of global economy. The concept, characteristics, levels and process of strategic management are enumerated. This paper reveals the strategic analysis tools, strategic formulation and selection tools, and strategic implementation tools of enterprise strategic management tools. It makes use of PEST, SWOT, SPCE, balanced scorecard, IFE and EFE matrix and other strategic tools, which can conduct a comprehensive study on the internal and external environment of the enterprise in detail, and analyze advantages, disadvantages, opportunities and challenges.

**Formulation of the problem.** A lot of scientific theoretical knowledge helps enterprises to manage their companies effectively. However, different types of enterprises, different managers and different times require different strategic management tools for different problems. So, the actual operation is very complicated. We need to make a case by case analysis to effectively combine theory with practice.

**Analysis of recent studies and publications.** The research of enterprise strategy management tool in recent years more and more. We have studied the works of many well-known scientists dealing with the problems of improving the strategic mechanisms of the economic development of enterprises. Among them, Cheng Nian, Wang Tienan, Luo Xichang, Rao Liang and well-known German sociologists. These data indicate the positive impact of strategic tools on the enterprise economy, but do not provide in-depth analysis. However, there is no detailed classification in the data, pointing out the specific analysis tools for specific enterprises. The analysis is one-sided, and we have further improved it on this basis.

**Formulation of the goals of the article.** The task of this work is a theoretical justification of the expediency of using strategic strategies for economic development of the enterprise with the help of making an in-depth analysis of the theoretical knowledge of strategic management; revealing the process of enterprise strategic management tools; finding ways to manage the company; selecting appropriate strategic tools according to different situations of the enterprise.

**Presenting main material.** With the acceleration of the process of global economic integration, the competitive environment of enterprises is becoming more and more complex. Therefore, enterprises have to adopt strategic management means to enhance their competitiveness in order to seek better development. Enterprise strategy is directly related to the survival and development of enterprises. In order to comprehensively analyze and display the competitive situation faced by enterprises, strategic analysis tools, strategic formulation and selection tools, and strategic implementation tools must be introduced. Form a more comprehensive, more perfect, more strategic management model, for the leadership decision to provide a reference.

Strategy determines the direction, starting point and height of an enterprise. It is the foundation for the enterprise to survive and develop in the turbulent competitive environment, and the opportunity for the enterprise to plan and improve under the economic crisis. The implementation of innovation strategy should be based on innovation ability, and the creation and development of innovation ability cannot be separated from the use of innovation tools, especially some strategic tools. The effectiveness of strategy lies in its impact on the overall situation, decision making, resource allocation and sustainable development, while the character of tools lies in its ability to be perceived, operated, comparable, substitutable, embedded and expanded[1].

From an economic point of view, strategy is based on a certain level of productivity and develops with it. Economy can promote the development of strategy, improve the strategy's ability to withstand and respond to changes in the environment, and enhance the choice of combat means. The selection and determination of strategic objectives, strategic directions, strategic emphases and war scale of economic constraints. In formulating and implementing strategies, the economic situation of the opposing parties must be taken into account. The contradiction and conflict of economic interest is the basic cause of war and military conflict. The aim that strategy pursues, after all is to maintain or obtain certain economic benefit[2].

Strategic management is a dynamic management process in which an enterprise determines its mission, sets its strategic goals according to the external environment and internal conditions of

the organization, plans for the correct implementation and realization of the goals, and puts such plans and decisions into practice by relying on the internal capabilities of the enterprise, as well as controls in the implementation process.

Characteristics of strategic management are: Strategic management has a global aspect; The subject of strategic management -- the top management of the enterprise; Strategic management involves the allocation of a large number of resources; Strategic management is long-term in terms of time; Strategic management needs to consider many factors in the external environment of the enterprise.

Level of strategic management:

- 1) Overall layer strategy. Overall strategy, also known as corporate strategy, is the highest level of enterprise strategy, is the overall strategic outline of the enterprise.
- 2) Business tier strategy. Business strategy is also known as business unit strategy. Modern large enterprises generally engage in a variety of business operations at the same time, or produce a variety of different products, there are a number of relatively independent products or marketing departments, these departments are business units or strategic business units.
- 3) Functional level strategy. Functional level strategy is a strategy developed for implementing, implementing and supporting corporate strategy and business strategy in specific functional management areas of the enterprise.

Process of strategic management consists of such steps:

- a. Determine the current purpose, objectives and strategy of the organization. The purpose of defining a company is to force management to carefully define the scope of the company's products and services. An understanding of what we are really doing matters to the company's guidelines.
- b. Environmental analysis is a key link and element in the process of strategic management. The organizational environment largely dictates the possible choices of management. Most successful strategies are those that fit the environment.
- c. Identify opportunities and threats. After analyzing the environment, management needs to assess what opportunities are available in the environment and what threats the organization may face.
- d. Analyze the organization's resources. This analysis shifts the perspective within the organization: the skills and capabilities of employees, the organization's cash position, the development of new products, and the public's evaluation of the quality of the organization and its products or services.

- e. Identify strengths and weaknesses.
- f. Reevaluate the purpose and objectives of the organization. In accordance with the requirements of SWOT analysis and the identification of organizational opportunities, management should re-evaluate the company's purpose and objectives.
- g. Develop a strategy. Strategies need to be established at the corporate, business and functional levels. At this stage the organization will seek to position itself appropriately to gain a comparative advantage over its competitors.
- h. Implement your strategy. However effective the strategy may be, the success of the organization cannot be guaranteed if it is not properly implemented.
- i. Evaluate the results. The final step in the strategic management process is to evaluate the results: how effective is the strategy? What adjustments need to be made? This involves control processes.

Strategic decision analysis tool is an analysis method often used in strategic consulting and management consulting. The traditional strategic decision analysis tools are mainly qualitative research. The purpose of strategy analysis is to clear out the key factors affecting the formation of customer strategy from the complex information and clues by certain means and methods, so as to facilitate the selection and formulation of the next strategy[3].

In the process of strategic management (the second step), strategic analysis tool PEST analysis method is used. P -- Political: Political and legal environment, mainly considering the Political and legal factors that affect the customer strategy, such as foreign policy, industrial policy, environmental protection, etc., as well as the Political and legal variables that are important to the customer strategy, such as tariffs and import and export restrictions. E -- Economic: Economic environment, mainly considering the Economic characteristics, Economic relations and Economic conditions that affect the customer strategy. Such as labor productivity level, consumption pattern, money market pattern, tax rate, inflation. S -- Social: Social culture and natural environment, mainly considering the national characteristics, cultural traditions, values, religious beliefs, Social structure, education level, customs and other Social factors that affect the customer strategy, as well as the geography, climate, resources, ecology and other factors of the region or market. T -- Technological: Technological environment, mainly considering factors such as Technological level, Technological policy, development trend, R&D capability and product life cycle that affect customer strategy. PEST analysis mainly analyzes the actual and potential impact of the macro

environment on the enterprise, and is a basic tool for the development and evaluation of the enterprise strategy[4]. PEST analysis only provides a framework for macro analysis, and the specific analysis indicators should be selected by the consultant according to the needs of different project situations. The analysis itself does not provide the selection and evaluation criteria of the analysis indicators, the specific analysis results depend on the ability and level of the consultant, there is a large uncertainty.

Strategy formulation and selection tools: SWOT analysis, strategic position and action evaluation matrix (SPCE).

SWOT analysis is used in the process of strategic management (steps 3, 5 and 6). SWOT is an analysis method used to determine the company's own competitive strength, competitive weakness, opportunity and threat, so as to organically combine the company's strategy with the company's internal resources and external environment. Therefore, it is of vital significance to clearly determine the resource advantages and defects of the company and understand the opportunities and challenges faced by the company in order to formulate the future development strategy of the company. SWOT analysis: SWOT analysis is a simple and effective tool for the strategic assessment and analysis of enterprises. It provides a free-thinking environment and is not affected by the financial driven budget planning system[5]. SWOT analysis can be used to test the perceived consensus within the organization and to support the enterprise in its strategy based on the exploitation of strengths and elimination of weaknesses.

SPCE is used in the strategic management process (step 7). SPACE: on the basis of SWOT analysis, two sets of quantitative indicators that specifically reflect the internal and external factors of the enterprise are determined to evaluate and select the enterprise strategy and positioning. SPACE matrix analysis overcomes the deficiency of SWOT analysis, but increases the difficulty of analysis.

Strategy implementation tool: balanced scorecard. The balanced scorecard method is used in the process of strategic management (step 8). The balance is divided into four key areas, namely, the balance between the external and internal parts, the financial affairs and the market, the short term and the long term[6]. The BCS requires each competent department and responsible department to jointly agree on the sub-scale of  $A_i$  of each indicator. Generally, the budget value of each indicator is compared with the actual value, and the difference rate of different ranges is corresponding to set different score values. In the way of comprehensive scoring, the performance of the objectives in

four aspects of each responsible department should be assessed regularly (generally one quarter), and timely feedback and adjustment of strategic deviation or revision of original objectives and evaluation indicators should be made to ensure the smooth and correct implementation of the company's strategy.

In the process of strategic management (the ninth step), the internal factor evaluation method and the external factor evaluation method are used. Internal factor evaluation method: also known as the internal factor evaluation matrix (IFE matrix) is a tool for the analysis of internal factors. The method is to find out the key factors affecting the future development of the enterprise from the advantages and disadvantages, determine the weight according to the influence degree of each factor, and then score each key factor according to the effective response degree of the enterprise to each key factor, and finally calculate the total weighted score of the enterprise. External factors evaluation method: also called external factor evaluation matrix (EFE matrix) is a tool of analysis of the external environment, its practices two aspects from the opportunities and threats of the key factors affecting enterprise development in the future, according to the influence degree of the factors that determine the weighting size, again according to the enterprise's effective response in the key factors to score of various key factors, finally calculate the total weighted score of the enterprise.

**Conclusions.** In the enterprise to implement most of the work is in accordance with the project, project and operation has become an important strategic tool for realizing the objective of the enterprise, but it is worth noting that more and more enterprises in the project, how to ensure that the project is consistent with the enterprise strategic target and can effectively realize the enterprise strategy, enterprise in the face of the numerous projects under the condition of limited resources, how to organize, manage several projects, is very important. It is hoped that enterprise managers can use strategic management tools to make appropriate strategic plans for the development of enterprises, so that the economy of enterprises can be rapidly improved.

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У статті з'ясовано економічну доцільність застосування інструментів стратегічного управління керівниками підприємств у контексті швидкого розвитку глобальної економіки. Досліджено поняття, характеристики, рівні та процес стратегічного управління. Доведено необхідність застосування PEST, SWOT, SPCE, матриці IFE та EFE та інших стратегічних інструментів для дослідження внутрішнього та зовнішнього середовища та аналізу переваг, недоліків, можливостей та проблем підприємства.

В статье выяснено экономическую целесообразность применения инструментов стратегического управления руководителями предприятий в контексте быстрого развития глобальной экономики. Исследовано понятие, характеристики, уровни и процесс стратегического управления. Доказана необходимость применения PEST, SWOT, SPCE, матрицы IFE и EFE и других стратегических инструментов для исследования внутренней и внешней среды и анализа преимуществ, недостатков, возможностей и проблем предприятия.

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