

METHODOLOGICAL ASPECTS OF DEVELOPMENT AND ANALYSIS OF THE INNOVATION STRATEGY OF ENTERPRISE DEVELOPMENT IN THE CONTEXT OF INTERNATIONAL INTEGRATION PROCESSES

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In today's difficult conditions of development and operation of enterprises, there is a need to improve the system of economic management of the organization, which is able to adapt to the unstable external environment. One of the options for solving this problem is the formation of effective strategic management.

Strategic management is a theoretical strategy for a large number of enterprises, although crisis phenomena, globalization, increased competition, environmental variability and the growing complexity of internal business processes necessitate that enterprises take on their functioning in a more comprehensive and purposeful manner [11].

Every enterprise should have a clearly developed plan for its activities, as having a plan contributes to the growth of profitability and efficiency. In the absence of such a plan, it is difficult for an enterprise to respond to rapid changes in the external environment and make the right management decisions; incomplete awareness of the importance of planning may be a sign that the enterprise is being managed poorly. An efficiently built strategic management system ensures financial stability, competitiveness and effective functioning of the company in the market.

In order to develop an effective and efficient innovation development strategy, it is necessary to determine the aspects and features that are reasonable to develop and those that should be completely eliminated or partially reduced in their negative impact on the overall activities of the organization. Such conclusions can be drawn only after a comprehensive analysis of the internal and external environments, determination of the position held by the enterprise at the time of diagnostics, strengths and weaknesses, threats and opportunities for further sustainable development.

An innovation strategy is an important and necessary component of the competitiveness of every enterprise in today's environment. In recent years, the economy has changed significantly: the emergence of new technologies, increased competition, the formation of new markets and other challenges for business. Innovations are becoming a key tool for solving these problems.

Developing an effective innovation strategy is an important task for any company that wants to succeed. However, this task is also very complex and requires a systematic approach and knowledge from various fields.

One of the key challenges in developing an innovation strategy is identifying market needs and focusing on those needs. This problem arises because the market is constantly changing and evolving, and therefore companies need to research these changes and adapt their strategies to them.

Insufficient market research and incorrect identification of consumer needs can lead to the company developing an innovative product or service that will not find its consumer in the market or will not meet its needs and requirements. This may result in wasting resources on the development of unnecessary or unpopular products, loss of competitive advantage, and even threaten the existence of the company.

Therefore, it is important to consider methodological approaches to market research and consumer involvement in the process of developing a product or service. The article will discuss such approaches as conducting market research, analyzing competitors and consumers, applying consumer behavior research methods and other methods that will help an enterprise identify market needs and develop a product that will meet those needs.

In the works of modern scholars who have studied the innovation strategy of an enterprise - Johna M. A., Stadnyk V. V., Gutorov O. I., Kashchena N. B., Grinev A. V., Kovtun O. I., Melnyk Y. M., Rogosa M. E., Vergal K. Y., Semenyuk O. M., et al, and others - reveal the general

principles of the latest innovation strategy, characterize its role and essence in the field of economics and other issues related to the design of the economic mechanism of the organization's innovation activity. At the same time, the issues of developing a comprehensive approach to determining the key stages of implementation of the optimal strategy for innovative development of enterprises remain insufficiently disclosed.

The basis of each enterprise's activity is its development, and accordingly, there is a need for continuous improvement of all processes, both outside the production process and in production. The processes of such improvement are called innovations, which in turn are formed into innovations.

The task of the study is to determine the essence of the innovation strategy, its necessity at the enterprise and to improve the approach to the phased development and implementation of the optimal innovation strategy at the enterprise.

Modern global and national development is influenced by severe transformation processes that affect all areas of activity. In the system of industrial relations, the challenges of our time increase the need to find ways to improve the efficiency of an industrial enterprise, which are most fully capable of meeting the constantly changing needs of consumers, and at the same time optimally use all types of resources necessary to increase the level of competitiveness of an industrial enterprise in the market of goods and services. One of the main factors in ensuring this is the continuous introduction of innovations into the enterprise management system.

However, a large number of managers in Ukraine do not consider it necessary to spend financial and human resources for the formation of long-term forecast documents, mistakenly claiming that in today's unstable operating conditions it is impossible to ensure high-quality forecasting and develop an effective set of measures to address promising development issues and minimize the consequences of transformational phenomena.

The lack of a strategic vision, mission and development goals of the enterprise, the inability to determine the degree of influence of the internal and external business environment and to formulate an adequate response to it, as well as the lack of the ability to adapt and actively influence this environment, all lead to the futility of the enterprise. Implementing innovative strategies optimizes technology and business organization to maintain a high competitive status of an industrial enterprise in the domestic and international markets. Practical experience of many successful economic entities proves that ensuring competitiveness in the real market is conditioned by their ability to develop and implement innovative strategies.

Many scientists have used the definition of "innovation strategy" in their works, for example, Pavlenko I.A. believes that innovation strategy is a component of the overall strategy of the enterprise and is a targeted activity to identify the most important areas, select priorities for the prospective development of the enterprise and develop comprehensive measures necessary to achieve them [11, p. 95].

Johna M.A. and Stadnyk V.V. note that the innovation strategy is a strategy aimed at anticipating global changes in the economic situation and finding large-scale solutions aimed at strengthening market positions and sustainable development of the enterprise [6, p. 233].

Melnyk Y. M. interprets the concept of innovation strategy as a purposeful process of developing and implementing management decisions aimed at creating and developing product and technological innovations, the principles of which are formed by the general business strategy of the enterprise [9, p. 70].

Thus, summarizing the above definitions, we can conclude that an innovation strategy is a comprehensive model of enterprise management aimed at setting priorities and determining the main directions for further development of the enterprise, aimed at successful implementation of the mission and achievement of long-term goals of the enterprise, as well as at taking into account the consequences of possible events in the business environment with maximum accuracy.

There is no single optimal and successful innovation strategy for any company, so first of all, you need to determine its type. There are various classifications of innovation strategies, and we suggest that you familiarize yourself with their most common types (see Table 1).

Table 1 - Classification of innovation strategies

Type of strategy	Characteristics
Traditional innovation strategy	is characterized by improving the quality of existing products with the technological base available at the enterprise.
The offensive innovation strategy	is typical for enterprises whose activities are based on the principles of "entrepreneurial competition" and are developed to implement the overall growth strategy [3, p. 313].
The defensive innovation strategy	is aimed at maintaining the enterprise's competitive position in the market. It is developed to implement the overall stabilization strategy. This innovation strategy requires intensive research and development [3, p. 313].
The imitative innovation strategy	is characterized by copying innovations that have been launched by leading firms by purchasing licenses from them. However, for the successful functioning of this strategy, imitator enterprises must have some advantages in the production of analogues, improving and modernizing the imitated products [4, p. 25].
Dependent innovation strategy	is characterized by the fact that the nature of technological changes in the enterprise depends on the policy of other companies that are the main ones in cooperative technological relations. Such companies do not make independent attempts to change their products, as they are closely related to the requirements of the leading company [16, p. 82].
The "niche" innovation strategy ("by chance")	is aimed at finding market opportunities that open up to the enterprise in new circumstances, identifying special niches in existing markets for goods and services that have consumers with atypical but significant types of needs [16, p. 83].
The diversification innovation strategy	is characterized by the development of complex innovations in various fields: improvement of old products, expansion of the modification range, technologies in various fields of activity of the enterprise, etc.
A mixed innovation strategy	is characterized by a combination of several strategies. It is chosen by companies operating in different business areas and markets. Different types of strategies are chosen for different types of business.

Source: [3, 4, 16].

When justifying the choice of the type of innovation strategy, it is imperative to take into account its compliance with the overall development strategy of the enterprise, the acceptability of the level of risks and the market's readiness to accept the new product.

After choosing the most appropriate type of innovation strategy for the enterprise, the stage of its development follows.

The development and implementation of an effective innovation strategy of an enterprise further becomes the basis on which their management, investment support of innovation processes, updating of the information, material and technological base, and transformation of innovation into the main factor of sustainable development of the enterprise are based.

There are a large number of scientific approaches to the process of creating an enterprise's innovation strategy, but there is no single, fixed sequence for creating this strategy.

American scientists M. Mescon, F. Hedowry and M. Albert propose to carry out the process of strategic management of the enterprise in 9 stages [10]: 1) choosing a mission; 2) formulating goals; 3) analyzing the external environment; 4) management review of internal strengths and weaknesses; 5) analysis of strategic alternatives; 6) choosing a strategy; 7) implementing a strategy; 8) managing and planning the implementation of the strategic plan and monitoring its implementation; 9) evaluating the strategy.

Given the existing approaches to developing an innovation strategy, we propose to optimize and combine them in the following areas (see Fig. 1).

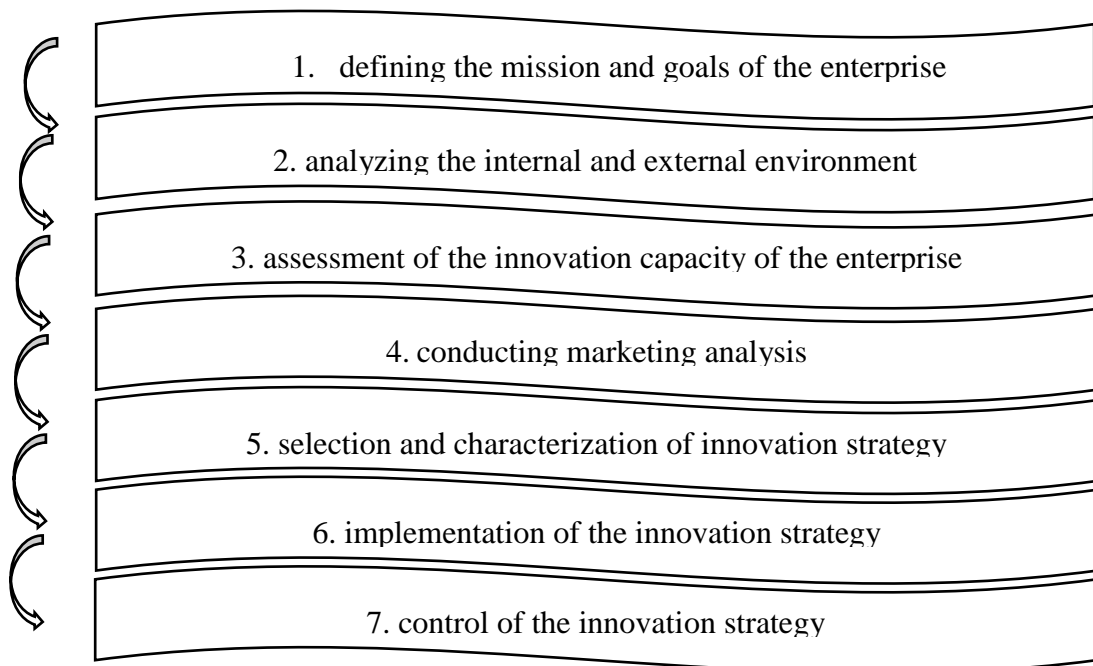


Figure 1 - Stages of developing an enterprise innovation strategy

Therefore, in order to develop an innovation strategy at an enterprise, first of all, it is necessary to define the mission and corresponding goals of the enterprise in order to form an idea of how these goals can be achieved. The general goals of the enterprise should take into account the areas of its activity, the operating principles of the enterprise in the external environment, as well as the culture, traditions and working climate at the enterprise. It is also necessary to take into account the clientele of the enterprise and what needs it can meet. After the company has defined its general goals, they need to be detailed. In order to be achievable, goals must be clearly stated, have specific units of measurement, and have a time frame within which the goals must be achieved. Over time, goals can be adjusted and refined to take into account the results of ongoing monitoring and situational changes. Also, the goals should not contradict each other and should be such that they can be achieved [3, p. 311].

The second step is to analyze the internal and external environments. This stage involves assessing changes that may occur in the planning period, studying factors that may be favorable for the enterprise, finding factors that may threaten the position of the enterprise. The external environment factors include the company's market position, socio-economic situation, development and characteristics of the industry, projected demand for products, and the behavior of competitors. The factors of the internal environment of the enterprise include the type of activity, mission and goals of the enterprise, experience in implementing previous strategies, the availability and development of innovative potential at the enterprise, and financial capabilities for implementing an innovative strategy. Particular attention should also be paid to those factors that are directly related to the ability of the enterprise to implement the chosen innovation strategy. To conduct an effective analysis of the internal and external environments of an enterprise, SWOT analysis is most often used. It will help to identify the main problems and threats of the enterprise and, based on the strengths and opportunities, determine the main actions to improve the efficiency of the enterprise. A logical complement to the SWOT analysis is the PEST analysis. It is used to diagnose the external environment based on the assessment and analysis of the political, legal, economic, socio-cultural and technological environments [12, p. 168].

The third step in developing an innovation strategy is to assess the innovation capacity of the enterprise. This includes an analysis of the financial stability of the enterprise, an assessment of the readiness of personnel for change, and an analysis of organizational and managerial changes. Assessment of the financial stability of an enterprise involves an objective analysis of the amount

and structure of the company's assets and liabilities and determination of its independence and financial stability on this basis, as well as analysis of the compliance of the company's financial and economic activities with the objectives of its statutory activities. It is necessary to analyze the readiness of the staff to introduce new innovations: to find out whether the staff has sufficient qualifications, necessary knowledge and skills, as well as motivation to develop and perform new tasks related to the development and implementation of the innovation strategy. This can be checked by conducting a questionnaire. The introduction of new technologies often requires a revision of the management structure, such as the creation of new departments, hiring more employees, changing the powers of employees, etc. Therefore, when analyzing organizational and managerial changes, it is necessary to find out what changes should take place in the management structure, powers, distribution of functions and powers for successful innovation activities [12, p. 169].

The next stage includes marketing analysis, which is an important thing in the development of an enterprise's innovation strategy. Market research provides a complete understanding of the current state of the market, nuances and segmentation of the target audience, incentives and motivation that should be involved in attracting and promoting the company's products and services.

The fifth step is the selection of an innovation strategy. This involves determining the basic development strategies and their innovative components, developing and evaluating alternative innovative strategies, and justifying the choice of the preferred innovation strategy.

The sixth stage is the implementation of the innovation strategy. At this stage, a strategic project and its implementation plan are developed, strategic control of the project implementation process is organized, the effectiveness of the implementation process is evaluated, and the necessary adjustments to the project, strategies, or goals are made.

And the last stage of developing an enterprise's innovation strategy is control. In general, control plays an important role in the process of forming an innovation strategy. Control ensures high-quality monitoring of the implementation of strategic plans and programs, monitoring the implementation of strategic changes and evaluating their effectiveness, making appropriate adjustments and regulating actions to improve strategic alternatives and technology for their implementation [5, p. 39].

The use of the proposed sequence of steps in management practice will make it possible to model the innovative strategies of the enterprise, to form a set of their options and to choose the most suitable options.

Thus, we believe that it is the observance of the proposed stages that will ensure effective strategic management for an enterprise. It is proved that the approach of American scientists to the stages of strategic management is the main one, and it is this approach that other scientists have begun to modify in their scientific works [10].

In the process of strategic management of an enterprise, there are a large number of principles that have an impact on this system. Among the key principles of this process are the following: the principle of purposefulness, the principle of systematicity, the principle of flexibility and the principle of effectiveness (see Table 2).

Thus, the importance of strategic management for organizations is determined by a large number of factors. First of all, it can identify and develop market advantages that are crucial for the competitive race of enterprises and build the right relationships with competitors.

In addition, strategic management is the basis for the development of the enterprise and provides it with the following advantages [14].

- increasing the level of adaptability of the enterprise to the changing environment;
- ensuring that the entire enterprise is focused on achieving the main goals and the main mission;
- timely detection of favorable and unfavorable changes in the environment of the enterprise;
- greater controllability of the enterprise due to the implemented strategy with a detailed set of tasks;

- timely detection of deviations from the plan, which allows to make the necessary adjustments to change the situation, etc.

Table 2 - Principles of the strategic management process

The principle of purposefulness
the strategy is aimed at a certain goal and at achieving a specific result.
The principle of continuity
strategic management is not a steady process, it must constantly evolve and adapt to changes in the organization's environment.
Systematic, comprehensive approach to strategy development and strategic management system in general
The need to achieve goals of different levels and different origins also entails different ways of achieving them, so it is necessary that the goals and the ways in which they are achieved do not contradict each other and are systematic.
The right sequence of stages
In general, some stages can be completed in parallel, but the general direction and the presence of a complex feedback system is a general principle that can lead to negative consequences if not followed.
Cyclicity
the stages of strategic management are repetitive in nature.
Uniqueness of strategic management systems
it is impossible to apply the same strategic management systems to enterprises with different activities and different structures and organization of work.
Flexible adequacy
of the strategic management system to changes and conditions of the enterprise. The strategic management system should be improved.
Use uncertainty of the future as a strategic opportunity
when planning strategic management, both a positive plan for future development and a negative plan should be available.
Efficiency and effectiveness
Aiming the strategic management system at achieving high results in the most efficient way possible.

Source: created by the author

Implementation of strategic management by enterprises allows them to assess economic, technical and organizational prospects of production, their maximum capabilities and timely coordinate the work on the formation of business plans for corporate development.

In general, strategic management coordinates the activities of an organization to prepare it for unpredictable changes. However, the use of strategic management requires a continuous analytical assessment of the potential and prospects for its use and goal setting.

When developing an innovation strategy, it should be remembered that there is no single correct approach to choosing a specific strategy, which necessitates constant adjustments to the chosen innovation strategy of the enterprise through the prism of a dynamic environment. At the same time, a clear understanding of the essence of the innovation strategy and its elements will make it possible to make the right choice, and the proposed strategy development plan will help to form an optimal strategic set, which, in turn, will contribute to the effective development of the enterprise.

We propose to consider the system of strategic planning measures on the example of BBM Trading LLC, whose main activity is the wholesale trade in mineral fertilizers imported from Poland. The main partners of BBM Trading LLC are such leading Polish factories as Fosfan, Grupa Azoty, Syarkopol and Alvernia. By importing their products to Ukraine, BBM Trading enables farmers to use only high-quality mineral fertilizers. In recent years, the company's operations have been characterized by a decline in sales, lower profits and, consequently, lower profitability.

Constant rapid changes in the company's environment, continuous improvement of information technology, increasing consumer demand, and the emergence of new offers in the target market determine the strategic development of the company. It is the strategy that determines the choice of possible ways of development and methods of action of the enterprise for the long term.

The strategic potential of an enterprise is a systemic reflection of its internal environment and consists of a system of resources, sources of their replenishment, capabilities and managerial abilities, so its formation should be based on the strategy of its development.

Assessing the state of the enterprise and the effectiveness of the chosen direction of development involves a study of the quality of management at the enterprise. For this purpose, a survey of managers of the enterprise was conducted to determine the level of use of management methods (Table 3).

Table 3 - Results of the study of the level of strategic management of “BBM Trading” LLC

Using the elements of strategic management	“BBM Trading” LLC
Mission statement	no
Enterprise development strategy	no
Long-term financial planning	yes
Long-term planning of activities	yes
Strategic planning	no
- Modeling of economic activity of the enterprise	no
- Calculation of enterprise development scenarios	no
Strategic analysis	no
- analysis of financial indicators	yes
- conducting economic analysis of activities	partially
- analysis of the external environment	partially
- analysis of weaknesses and strengths of the enterprise	partially

Source: created by the author

“BBM Trading” LLC operates under conditions of limited use of strategic management tools. The company does not have an agreed mission and strategy. However, the company uses long-term planning of economic and financial activities.

In our opinion, in the short term, the use of long-term planning allows for an effective product sales policy, as evidenced by the growth of profitability and solvency, but it does not allow for planning activities for 3 to 5 years, which is a limiting factor for the company's development at an accelerated pace.

There are several strategic directions of the company's activities. Translating them to the enterprise under study, the first one is aimed at selling goods at the highest prices under the existing conditions, but with the smallest required quantity of supply of this product. The second direction is fundamentally different from the previous one, it consists in setting the lowest possible selling price, and the volume of supply, due to the growth of demand for products, increases.

Other strategies can be offered to the company. For example, the golden mean strategy. Its essence is to set the price somewhere in between the two positions mentioned above. There are other possible strategies with a shift in the price of the product and its production volume (in our case, the volume of supply) from the middle to one side or the other. The process of profit management depends on the application of existing factors and their consequences. The main task of economically competent management of the final result of production is to develop information support for planning and management decisions.

First, let's build an actual profile of the enterprise (Table 4). To do this, we need to determine which of the criteria is weaker (5) and which is stronger (1) for the enterprise under study, and we will depict this on the current enterprise profile. For example, we give 2 points each to the quality and distribution channels criteria, because the company imports only high-quality fertilizers from

leading Polish plants and has a large established customer base of traders; 4 points to the financial position criterion, because the financial condition of the company is low and needs to be improved.

Table 4 - Current profile of “BBM Trading” LLC

Criteria	1 (strength)	2	3	4	5 (weakness)
Pricing policy			●		
Advertising			●		
Financial condition				●	
Personnel		●			
Competitiveness			●		
Image of the company			●		
Quality of goods		●			
Distribution channels		●			
Assortment items		●			

Source: created by the author

Having built the profile, it can be noted that the main problems of “BBM Trading” LLC are financial condition, advertising, competitiveness and image of the enterprise. Therefore, in order to further choose strategies, the company should pay attention to these aspects of its activities for further future development. That is why it is necessary to improve the financial situation and find new partners; conduct research and analysis of pricing policy; improve product promotion for a successful advertising campaign.

Based on the current profile, let's build the necessary profile of the company “BBM Trading” LLC. After analyzing and setting the main goals and objectives of the enterprise, we can build the required profile using the same parameters and set new estimates for the future development and improvement of the enterprise (Table 5).

The next stage of strategic analysis is SWOT analysis. Its main purpose is to obtain accurate data on the company's capabilities and threats to its promotion in the market. To achieve this goal, the SWOT analysis has the following tasks: identifying opportunities that correspond to the company's resources; identifying threats and developing measures to neutralize their impact.

In general, SWOT analysis can be applied in a crisis situation, to a particular product, location or industry, etc. In general, it is about establishing the goal of the enterprise or project under analysis and identifying internal and external factors that are considered favorable or unfavorable for achieving the main goal [15].

SWOT analysis is used to establish the status and position of an enterprise in relation to its external environment and current role. This tool can be used as a basis for long-term planning or as a strategic management tool [15].

In today's unstable and constantly changing environment, in crisis situations, it is important to correctly identify the factors that need to be addressed immediately. To find these critical factors, consider the benefits of using SWOT analysis, a structured planning method used to assess the strengths, weaknesses, opportunities, and threats of an enterprise.

The advantages of this method include the ability to identify the strengths of the enterprise and compare them with market opportunities; identify the weaknesses of the enterprise and

develop strategic directions to overcome them; determine competitive advantages and formulate strategic priorities of the enterprise.

Table 5 - Required profile of “BBM Trading” LLC

Criteria	1(strength)	2	3	4	5 (weakness)
Pricing policy		●			
Advertising		●			
Financial condition			●		
Personnel	●				
Competitiveness		●			
Image of the company		●			
Quality of goods	●				
Distribution channels	●				
Assortment items	●				

Source: created by the author

Another advantage of SWOT analysis is the systematization of knowledge about internal and external factors that influence the strategic planning process; the ability to establish competitive advantages and formulate strategic priorities, and periodic diagnostics of the market and company resources.

Table 6 - Evaluation of the external and internal environments of “BBM Trading” LLC by SWOT-analysis

Strengths (S)	Weaknesses (W)
Trained staff; Long-term partnerships with regular customers; Presence in the emerging market Availability of warehouses across the country.	Mediocre delivery speed; Lack of strategic management; Dependence on suppliers; Supply disruptions.
Opportunities (O)	Threats (T)
The use of advertising; Steady demand for products; Import of new types of fertilizers; Cooperation with new suppliers.	Deterioration of the overall economic situation in the country; Severance of partnerships with regular customers; New competitors entering the market; Seasonality of activities.

Source: created by the author

The analysis of the internal and external environment factors made it possible to form a clear list of the company's strengths and weaknesses, opportunities and threats. Thus, the company's strengths are: trained staff; long-term partnerships with regular customers; presence in the emerging market; availability of warehouses throughout the country.

The opportunities of “BBM Trading” LLC include the use of advertising; steady demand for products; import of new types of fertilizers; cooperation with new suppliers.

Weaknesses include the lack of strategic management; low delivery speed; dependence on suppliers; product supply failures.

Threats to the company under study include: deterioration of the general economic situation in the country; breakdown of partnerships with regular customers; entry of new competitors; seasonality of activities.

SWOT analysis has both advantages and disadvantages. Its main advantage is simplicity and the ability to spend little money to conduct it, as well as flexibility and the availability of many options. The disadvantages are: the inability to take into account absolutely all strengths and weaknesses, as well as opportunities and threats; some subjectivity in the choice and ranking of internal and external environment factors.

After analyzing the internal and external environments of the enterprise, creating a list of strengths and weaknesses, opportunities and threats, it is necessary to establish lines of communication, i.e. pairwise combinations. To do this, we build a SWOT matrix (Table 7).

Table 7 - Matrix of SWOT-analysis of the enterprise “BBM Trading” LLC

External environment Internal environment		Opportunities:		Threats:	
		1. The use of advertising; 2. Steady demand for products; 3. Importation of new types of fertilizers; 4. Cooperation with new suppliers.	2 3 1 4	1. Deterioration of the overall economic situation in the country; 2. Breakdown of partnerships with regular customers; 3. New competitors entering the market; 4. Seasonality of activity.	1 2 4 3
Strengths:		SA: Increasing the number of regular customers by finding new suppliers and increasing the number to expand the product range. SP: More efficient use of warehouses to bring in more fertilizers, including new ones, to ensure constant availability of goods and increase sales.		SA: Loss of long-term partnerships with regular customers due to the deteriorating economic situation in the country. SP: Creating an advantage over competitors through better and cheaper logistics due to the availability of warehouses across the country.	
1. Trained staff; 2. Long-term partnerships with regular customers; 3. Presence in the developing market 4. Availability of warehouses throughout the country;	2 4 3 1				
Weaknesses:		SA: Creating a strategy to increase the range of products to increase the company's profit. SA: Finding more suppliers to reduce overall dependence on them.		SA: Creating a strategy that takes into account the possibility of changes in the external environment and makes it possible to reduce the impact of the economic situation in the country on the company. SP: Possible loss of some advantage over competitors due to lack of control over fertilizer supply.	
1. The speed of delivery; 2. Lack of strategic management; 3. Dependence on suppliers; 4. Supply disruptions;	3 1 4 2				

Source: created by the author

Vertically, we enter the list of strengths and weaknesses of the enterprise with an assessment of their importance, horizontally we record the identified opportunities and threats of the external environment, also with an assessment of their importance for the enterprise. On the basis of the constructed matrix, to identify strategic problems and alternatives for the development of the enterprise in each field of the matrix, it is necessary to identify and analyze all pairwise

combinations of strengths and weaknesses with opportunities and threats in the external environment, based on the assessment of the importance of these factors.

Diversification of services is an effective way to strengthen the competitive advantages of “BBM Trading” LLC. This will make it possible to improve the areas of activity on the basis of an expanded range of products that meet today's consumer demand.

Therefore, in the process of researching the SWOT analysis of the internal and external environments of the functioning of “BBM Trading” LLC, it was found that the following strategies should be applied to more fully realize the opportunities and strengths:

1) The strategy of further development of the program for establishing the supply of the commodity base and sales network with an increase in the company's market share, rapid growth of the market share and a positive change in market conditions.

2) A strategy to reduce the impact of seasonality by increasing demand for products, intensifying the advertising campaign, and rapid market growth.

3) A strategy for diversifying services, using competitive advantages to gain a larger market share.

The next stage of the strategic analysis of the enterprise is the SPACE-analysis. SPACE-analysis is a comprehensive method of assessing the company's position in the market and choosing the right development strategy, which allows the company to analyze the existing strategy of the company even when it exists in an uncertain form [1].

In the SPACE-analysis, there are 4 groups of systemic criteria for evaluating an enterprise (Table 8).

Table 8 - SPACE-analysis of “BBM Trading” LLC

№	Criterion	Evaluation, points	Weight	Weighted score, points
Financial position				5,05
1	Rate of return	6	0,2	1,2
2	Return on equity capital	4	0,3	1,2
3	Financial independence	6	0,1	0,6
4	Stability of profit generation	5	0,2	1,0
5	Fixed assets renewal rate	4	0,2	0,8
6	Resistance to financial risk	5	0,05	0,25
Competitiveness of the enterprise				4,25
1	Profitability of sales	3	0,2	0,6
2	Pricing policy	6	0,2	1,2
3	Quality of services	6	0,1	0,6
4	Customer loyalty	5	0,05	0,25
5	Level of marketing development	5	0,2	1,0
6	Market share	2	0,3	0,6
Attractiveness of the industry				3,9
1	Level of government influence on the industry	2	0,05	0,1
2	Stage of the industry life cycle	4	0,25	1,0
3	Overall attractiveness of the industry	4	0,3	1,2
4	The level of competition	3	0,2	0,6
5	Stability of profits	5	0,2	1,0
Stability of the environment				4,8
1	Inflation	6	0,1	0,6
2	Variation in demand	5	0,3	1,5
3	Marketing and advertising opportunities	5	0,4	2,0
4	Level of innovation activity	3	0,2	0,6
5	Degree of influence of foreign capital	1	0,1	0,1

Source: created by the author

Next, let's display the results of the weighted evaluations in the xy coordinate system, where each half of the x and y axes represents a corresponding group of criteria.

In order to calculate the vector of the recommended strategy, it is necessary to find the coordinates of the point P (x; y):

$$x = \text{Attractiveness of the industry} - \text{Competitiveness of the enterprise} = 3.9 - 4.25 = -0.35$$

$$y = \text{Financial condition} - \text{Stability of the environment} = 5.05 - 4.8 = 0.25$$

The next step is to build the vector of the recommended strategy using the SPACE-analysis method at two points: O (0; 0) and P (-0.35; 0.25). The construction of this vector is shown in Figure 2.

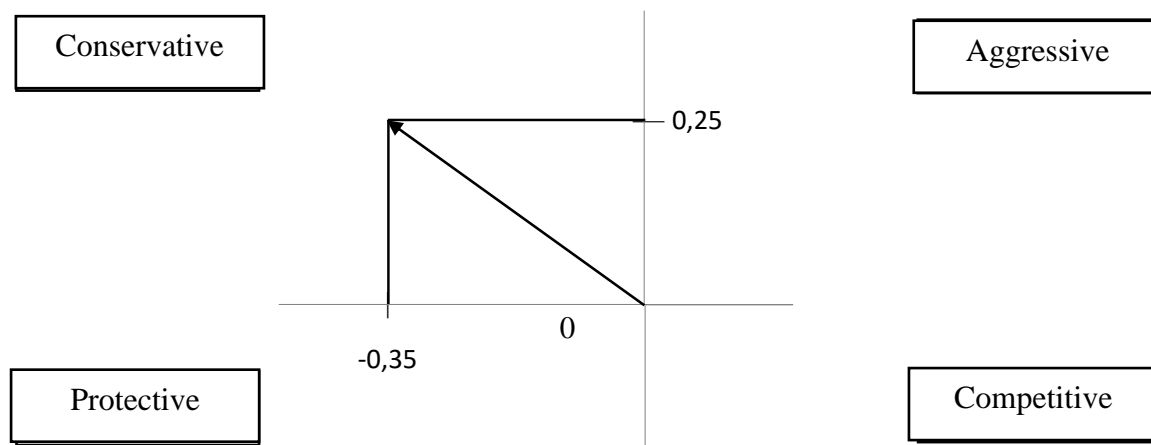


Figure 2 - Diagram of the SPACE-analysis of “BBM Trading” LLC

Source: created by the author

The graph shows that the recommended strategy for the company “BBM Trading” LLC is conservative.

For the normal operation of the enterprise and its future development, it is necessary to: maintain the financial position; introduce new ways of selling and promoting goods; review and improve the pricing policy; improve the skills of employees.

To ensure the implementation of the chosen strategy, the following measures should be taken: increasing sales of the most profitable products; developing and implementing new strategies to attract potential consumers; organizing sales and exhibitions; improving the service culture; ensuring the completeness of the product range; optimizing inventory management; taking measures to speed up sales of goods, paying special attention to goods that are not in demand; ensuring a higher profit margin on the most profitable products.

In the case of low profitability on sales of goods, it is necessary to strive to accelerate the turnover of capital and its elements. In addition, the low level of business activity of the enterprise can be compensated only by reducing procurement costs or increasing prices for the goods, which will lead to an increase in sales profitability.

It should also be noted that the ways to improve performance depend on the type of activity of the company and the market in which it operates. Therefore, there are no universal, clear models for increasing profitability in the main areas of activity of a given company.

We believe that there are the following key problems in the formation of the profit management strategy of “BBM Trading” LLC

- imperfect principles for determining the target profit amount;
- there is no effective turnover strategy that would really meet people's demand for goods;
- ineffective pricing policy, i.e. poor functioning of the system for determining the optimal price of goods, which results in optimal turnover and maximum profit;
- the lack of diversification of “BBM Trading” LLC's activities.

To improve the approach to creating a profit management strategy at the researched enterprise, we propose to use the following ways:

- integration of marketing and logistics to achieve competitive advantages;
- to create an online store as a way to diversify the enterprise's functioning.

In our opinion, the most priority and optimal for implementation, and the most attention should be focused on, are the cooperation of marketing and logistics and the creation of an online store. These two areas can have the most positive impact on increasing the company's profit in the shortest possible time.

The main reasons and phenomena that make cooperation between marketing and logistics essential for an enterprise are

- Increased market diversification;
- increased competition;
- combination of economic processes with decision-making processes;
- development of new technologies.

The concept of logistics and marketing management is based on three elements: customer satisfaction, integrated marketing and logistics activities, and profit from the enterprise (Fig. 3).

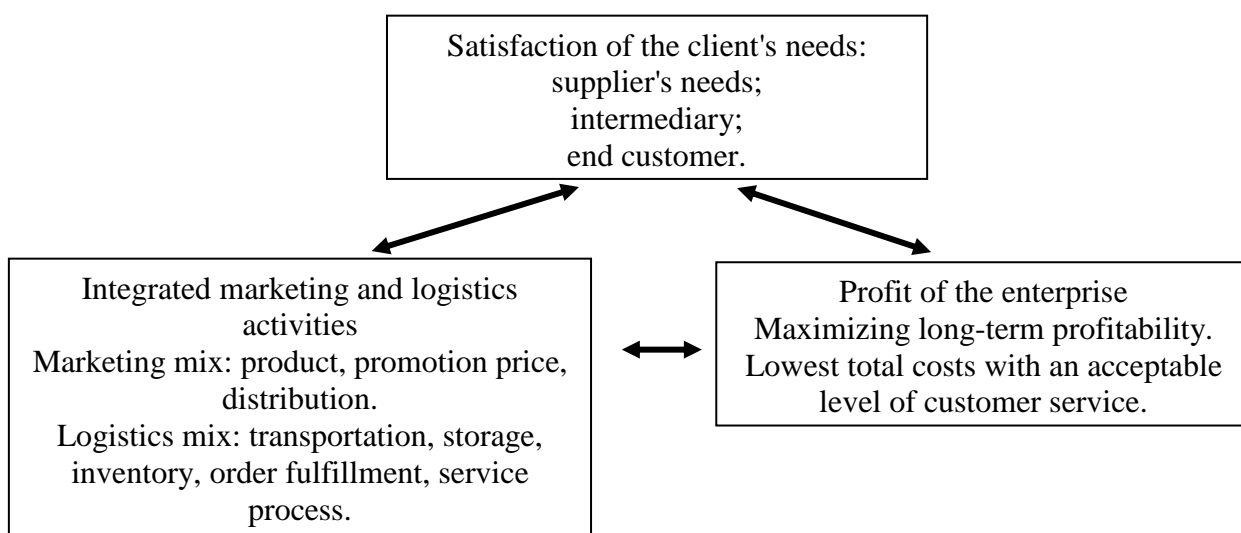


Figure 3 - Marketing and logistics management concept at “BBM Trading” LLC
Source: built by the author

The goal of integrated management of the entire enterprise is to achieve the desired level of customer satisfaction at the lowest possible cost. Logistics and marketing management is, in its way, an expression of feedback and a combination of two management concepts: logistics, which is focused on the movement of material flows, and marketing, which is focused on market requirements. These two management concepts define the company's market strategy. The goal is to maximize the effect of each of these management concepts to gain a competitive advantage.

The precise prospects and effects of integrating logistics and marketing into a competitive strategy depend on the calculation of costs and market effects that form the basis for a long-term favorable market position. The cooperation of logistics and marketing strategies provides a number of strategic and competitive options.

These strategies can help to achieve competitive advantages, for example, through technological leadership, product innovation, service differentiation, lower operating costs, and lower prices. Various combinations of the above strategic and competitive elements can be used in the market or in certain market segments [2].

As a result, the combined effect of marketing and logistics contributes to the efficiency of strategic management at the enterprise. The common component of both of these types of enterprise activities is, first of all, the market. The task of marketing is to create a constructive dialog with the customer and develop strong relationships with him, which will allow logistics to

contribute to the achievement of the company's goals, which are to provide the highest quality of service at the lowest cost. This leads to the fact that the distribution industry is the link between marketing and logistics. Distribution channels involve flows of goods and information, accompanied by various technical, economic, or administrative activities that require coordination and a holistic logistics approach.

The transition period to a market economy necessitates rapid changes in all subsystems of organizational entities and also leads to an increase in their competitiveness. All this can be achieved through the introduction of effective management systems at the enterprise that effectively use the opportunities and strengths of the enterprise, as well as eliminate its threats and weaknesses. A performance management system can help solve these problems. The effectiveness of using the potential capabilities of an enterprise is determined by the efficiency of the enterprise management system and its strategic level.

In order to develop the logistics and marketing strategy of “BBM Trading” LLC, we will build a tree of goals of the enterprise and depict it in Figure 4, which is created taking into account the overall strategic goal of the enterprise.

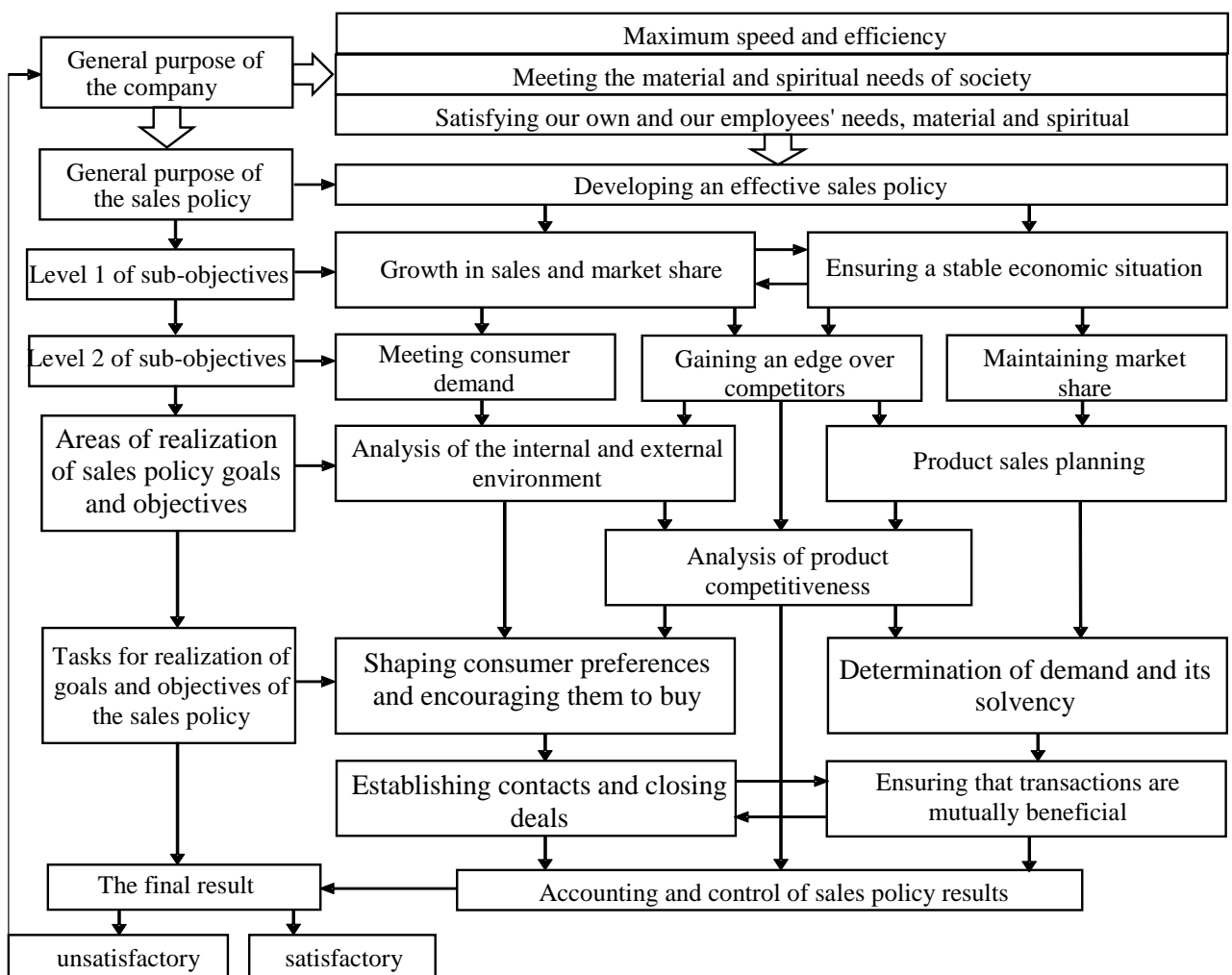


Figure 4 - Goal tree of “BBM Trading” LLC for the formation of a logistics and marketing strategy

Source: built by the author

The main goal of the company's commercial policy has two sub-goals of the first level:

- turnover and market share growth;
- ensuring a stable economic situation for the enterprise.

Three sub-objectives of the second level are also necessary:

- satisfaction of customer demand;
- gaining advantages over competitors;
- maintaining a share of the regional market.

These goals are no less important for the company's sales activities and are further specified by instructions on how to achieve them, specific tasks, and monitoring of the results of the sales policy.

The main stages of developing a marketing and logistics strategy in the context of the company “BBM Trading” LLC should be (Fig. 5):

- 1) forecasting the market situation;
- 2) creation of long-term plans that describe the commercial activities of the enterprise;
- 3) creating a budget for trading activities;
- 4) determination of the rate of costs for sales activities;
- 5) reasons for choosing specific sales channels;
- 6) planning the entire process of product sales.
- 7) development of information support for trading activities;
- 8) statistical analysis of sales.

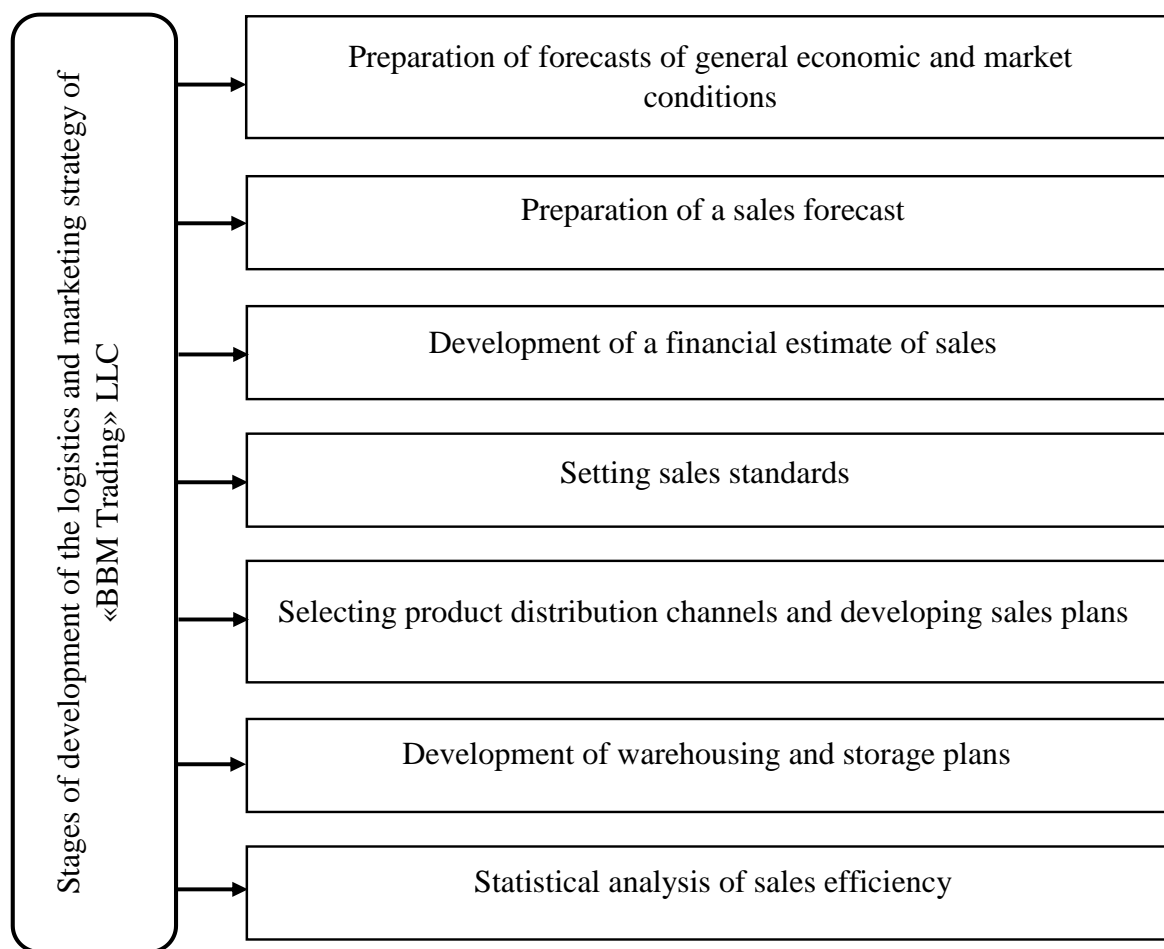


Figure 5 - Stages of development of the logistics and marketing strategy for “BBM Trading” LLC

Source: built by the author

The development of logistics and marketing strategies of “BBM Trading” LLC is mandatory for

- Increase in income as a result of increased sales in physical terms;

- creating and maintaining a positive reputation of the company's products among regular and potential customers.
- creation and implementation of innovative products;
- integrated use of all promotion methods.

When developing a logistics and marketing strategy, the company's management must make several decisions, including

- determine the degree of stimulation and promotion of goods;
- segment groups to determine the directions of the incentive program;
- determine the timing of this program;
- draw up an action plan in accordance with the program designed for 60 specific groups;
- create a budget for the implementation of the proposed measures;
- evaluate the effectiveness of the selected sales promotion program;
- conduct a retrospective analysis of the planned activities and evaluate their effectiveness.

It is suggested that “BBM Trading” LLC use several methods of promotion simultaneously. The highest effect is achieved through the exchange of advertising and promotional materials. As sales increase, there are several things to keep in mind [8]:

- 1) the effect of production stimulation measures is achieved by the company only if the goals are correctly chosen and the product life cycle is taken into account;
- 2) the sales promotion program should have a specific duration. A short program is more effective.

Creating a strategy to stimulate logistics and sales in the researched enterprise will contribute to:

- 1) increase consumer interest in the company “BBM Trading” LLC and its products and increase the number of regular customers;
- 2) encouraging wholesale and retail consumers to cooperate with the enterprise;
- 3) increase sales in the future.

As the next step, we propose to introduce a mechanism for designing a promising product range, which will prevent the development of negative trends and processes that are possible if this aspect of the company's work is ignored. The general policy of producing a promising product range of the enterprise is as follows:

- 1) introduction of a system of restrictions on the supply of the enterprise's products;
- 2) conducting ABC analysis;
- 3) consideration of the set of elements of the nomenclature obtained as a result of the above actions as a potential variation of the intended product range of the enterprise;
- 4) calculation of estimates for each type of product and calculation of the total estimate and, depending on the cost, each type of product is assigned a certain place [13].

When restructuring the assortment, an external factor is taken into account, which is then used to identify those products that do not meet the requirements.

In its strategic planning activities, the enterprise should clearly describe the goal for each consumer, seller and retailer and take into account the potential consequences discussed above.

Thus, we have identified the expediency of parallel application of marketing and logistics strategies of the enterprise in the competitive struggle. In order to make this problem easier to solve, it is necessary to take into account the marketing strategy of the enterprise when developing the logistics strategy. The key stages of marketing and logistics development for “BBM Trading” LLC should be: forecasting market conditions, planning sales, budgeting sales activities, rationing trade costs, establishing sales channels, training in information support of sales activities, analytical processing of sales activities.

If the company finds new sources of income in other areas of economic activity, it is beneficial to apply such a direction of profitability policy as diversification. When the market in which an enterprise operates is declining and the business entity is forced to look for other types of activities, a diversification strategy is used.

In rare cases, this strategy is a necessity. A diversification strategy involves, first of all, the entry of an enterprise into new areas of activity for it.

E-commerce is the process of selling goods through specialized electronic platforms that allow consumers to place an order remotely.

The benefits of e-commerce development at the global level and at the enterprise level are obvious. Thus, government programs to support the development of technical support, the growth of health and education of the population provide an incentive for active trading activities, and economies of scale form a global trading platform that significantly increases the level of competitiveness of enterprises. Moreover, e-commerce stimulates the transformation of a number of activities, such as education, audit, marketing, and logistics.

We believe that the creation of an online store is a good solution to diversify our business. The percentage of online sales of various products is growing at a tremendous rate every year. The best solution is to order the creation of a website from an experienced IT company. Additionally, after the creation of the website, it is necessary to hire an experienced website administrator (with an education in the IT field and several years of experience) to ensure the quality operation of the online store. There are different types of websites, and depending on the type, the price for creating a website will differ.

Table 9 - Cost of website development depending on its type

Type of site	Website price
Landing or one-page website	up to 15 000
Business card site	up to 25 000
Corporate website	up to 45 000
Catalog site, product showcase	up to 60 000
Online store	up to 70 000

Source: developed by the author

Creating an online store will help your company to solve such issues as:

- automation of the procedure for selling goods;
- acting as a showcase of the company's products;
- establishing an inventory of goods;
- an additional means for sales and increasing customer loyalty;
- the ability to see key profitability indicators.

The company's management expects that by 2024 the online store will have sales of goods equal to 25% of the total volume of goods and services, and by 2025 it will reach 35% of the total volume of goods and services provided.

The benefits of creating an online store are both for the company: reaching a wide target audience, analytics, automation, and for customers: the ability to shop 24/7, the ability to compare products, filtering, notifications of new products, and reviews.

In order for the created and proposed directions for increasing the efficiency of the profit management strategy of BBM Trading LLC to be actually implemented and contribute to the further successful operation of the enterprise, a high-quality and balanced financial and economic assessment of the developed recommendations is required. The action plan proposed for the company to implement the proposed recommendations should be assessed for the economic feasibility of its implementation. It is also important to analyze the impact of the proposed actions to improve the company's functioning over the next year. This will allow the company to avoid possible mistakes and negative consequences in the future.

We have determined that the main source of improving the efficiency of profit management at the enterprise is

- diversification of activities;
- development of a turnover strategy;
- research of market conditions;
- implementation of assortment policy;

- implementation of pricing policy;
- analysis of competitors;
- advertising campaigns.

In order to achieve this, we proposed to introduce a logistics and marketing strategy and an online store at BBM Trading LLC.

Thus, the use of long-term planning by this enterprise is due to the fact that it does not use strategic analysis, but only partial financial analysis and economic analysis, which, in turn, we believe, reduces the efficiency of management decision-making, which could be much better due to a full analysis of the internal and external environment.

In summary, it should be noted that the use of strategic management tools is extremely important in the current changing environment. One of the key issues in the use of strategic management is the development of business strategies for their further activities. These include stabilization, further development and reduction strategies.

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