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INNOVATIVE APPROACH TO STRATEGY SELECTION FOR ENTERPRISE CRISIS MANAGEMENT

The article deals with the principle of choosing of a crisis management strategy using the matrix for enterprise crisis state management. The basic types of crisis management strategies are given, and the opportunities for their use at industrial enterprises in Ukraine are analyzed. Preconditions facilitating the optimization of crisis management strategies at enterprises are determined.

Keywords: model; crisis management; strategy; enterprise.

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ІННОВАЦІЙНИЙ ПІДХІД ДО ВИБОРУ СТРАТЕГІЇ АНТИКРИЗОВОГО УПРАВЛІННЯ ПІДПРИЄМСТВОМ

У статті розкрито принцип вибору антикризової стратегії управління за допомогою матриці управління кризовим станом підприємства. Виділено основні типи стратегій антикризового управління, проаналізовано можливості їх застосування для промислових підприємств України. Визначено передумови сприяння оптимізації стратегії антикризового управління підприємствами.

Ключові слова: модель, антикризове управління, стратегія, підприємство.

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ИННОВАЦИОННЫЙ ПОДХОД В ВЫБОРЕ СТРАТЕГИИ АНТИКРИЗИСНОГО УПРАВЛЕНИЯ ПРЕДПРИЯТИЕМ

В статье раскрыт принцип выбора антикризисной стратегии управления с помощью матрицы управления кризисным состоянием предприятия. Выделены основные типы стратегий антикризисного управления, проанализированы возможности их применения для промышленных предприятий Украины. Раскрыты предпосылки содействия оптимизации стратегий антикризисного управления предприятиями.

Ключевые слова: модель, антикризисное управление, стратегия, предприятие.

Introduction. Financial, industrial and technological, marketing, organizational and other problems arising in the process of functioning and development of enterprises in Ukraine, now more than ever are acute and topical. Not only stability in the short term but also the possibility of qualitative growth in future depends on their timely resolution. Therefore, problem management should have anti-crisis character, preventing their occurrence, and in case of a crisis it should minimize the influence of external environment, identify and solve internal problems of management timely.

The way by which management moves providing an opportunity for an enterprise that got into a crisis state, to create new preconditions for growth of its effectiveness, this is impossible without anti-crisis measures as the main instruments ensuring long-term goals and objectives of an enterprise, development of the course of action and allocation of resources, needed to achieve the set goals with the anti-crisis character. This reduces the level of risk, provides competitiveness increase, and promotes the stability of company work.

Changing business environment results in entirely new business problems for an enterprise that needs theoretical understanding and developing of practical recommendations for their solution. One of them is the problem of choosing a strategy for anti-crisis management.

Analysis of recent research and publications. Solving the problem of choosing a strategy of enterprise anti-crisis management has been reflected in many works of Ukrainian and foreign scientists. Several scientists have focused on developing competitive strategies – M. Porter (1997), R. Fathutdynov (2007). Some researchers study the priority of marketing strategies – S. Garkavenko (2007), S. Dybb et al. (2001), E. Dyhtl et al. (1995), P. Kotler et al. (1998), E. Krykavskyy et al. (2001), V. Kutsenko (2003), J.-J. Lamben (1996), A. Starostina (1997). Such scientists as I. Blank (2004), B. Kolass (1997), O. Krayinik and S. Klepnikova (2000), G. Kireyitsev et al. (2002) paid attention to the problems of developing financial strategies in the system of crisis management. Basic strategy is distinguished as the most important in enterprise development by A. Vyhanskyy (1998), V. Nemtsov et al. (2001), G. Osovska (2003), A. Thompson and A.J. Strickland (1998), Z. Shershnova (2004) and others. A number of researchers have focused on developing the concept of strategic and anti-crisis management – V. Vasilenko (2003), A. Gaponenko et al. (2004), A. Kuzmin et al. (2003), A. Mishchenko (2004) and some other scientists.

As we can see, the authors' approaches have significant differences, and therefore require finding an approach that would at least partly solve the existing contradictions.

Unsolved part of the problem. All the works mentioned above require attention because development of strategy of anti-crisis management should take into account the competitive environment in which a company is, and its potential, state of management system and so on. And, therefore, an approach to strategy selection, which has to be taken as the main at least in the medium-term should be justified, taking into account all the features of the formation of competitive potential of a company.

However, a significant scatteredness of scientists' views on the problem of development and implementation of strategies of anti-crisis management often is a significant barrier for further development of enterprises. In our opinion, for businesses which are risky, the optimal criteria should be the presence and depth of crisis and management efficiency. This is what determines the trajectory of crisis management and allows choosing the right way for further business development.

The aim of the research is the substantiation of the choice of anti-crisis strategy for an enterprise which fell into crisis state, by the model of MMCS.

The main results of the study. Business strategy for the enterprise in crisis is a comprehensive plan on the way out of the crisis state; and strategy of anti-crisis management is anti-crisis policies developed on the basis of prediction of future development, character and consequences of production and economic activity by defining and predicting results, required resources, tools and methods of management based on the results of economic diagnosis.

Instruments of analysis and assessment of appropriateness of strategy choice are rather different. To choose a strategy for different situations you can use STEP-analysis, Porter's model, SWOT-analysis, SPACE-analysis. The methods of environment analysis should also include positioning method, the method of profiling, force field

analysis: BCG growth market share matrix, matrix "attractiveness-competitive" and Shell model, the matrix of firm A.D. Little (ADL/LC), Ansoff's matrix, three-dimensional diagram of Abel, company position industry attractiveness screen, ABC-analysis, competitive profile matrix and others.

Such methods as SWOT-analysis, fields of business analysis, and Porter's models, Ansoff's matrix are often used by Ukrainian enterprises selecting a strategy.

The main key factors that should primary be taken into account in the selection of strategy are state of the industry and position of an enterprise in it. According to one of the leading theorists and specialists in the field of strategic management M. Porter (1997), there are 4 main approaches to the selection of competitive strategies of firm's behavior at the market: cost leadership strategy, differentiation strategy, focused low cost strategy and differentiation focus strategy. Some scientists, besides the above strategies, highlight one more strategy that is the synthesis of the previous – the strategy of optimal cost (Mishchenko, 2004; Nemtsov et al., 2001).

However, the state of the industry and position of an enterprise in it may not always act as the basis for strategies development at the present stage of development. Before that the definition of crisis state in the industry should be made, and if there is crisis the use of Porter's matrix makes no sense. As an example, we should mention the general crisis of the automotive industry in 2008 as in the world economy and in particular, in Ukraine. None of the strategies at the time, even of the most powerful corporations, did not help, because they are developed without considering the crisis state of the industry in general.

The transition to offensive tactics involves the strategic development planning of enterprises; an active marketing and sales policy, the introduction of new technology of financial management, the implementation of a systematic express analysis of the financial condition of enterprises and bringing the results to shareholders, potential investors and creditors. Industrial anti-crisis strategy should include such mechanisms as the introduction of advanced technologies, redesigning of productive base of enterprise, creating new products etc. Marketing policy has to aim at strengthening the position of enterprises in existing market segments, to gain new segments, to update the nomenclature of production (Blank, 2008).

Financial strategy of anti-crisis management should include different mechanisms of improving the efficiency of forming and using financial resources of enterprise. One of the main problems of enterprises holding back their modernization and ensuring on that basis the financial stability of each of them, is the lack of current and long-term financing sources at the present stage.

The important role, under the conditions of bankruptcy or conditions close to it, plays the development of anti-crisis organizational measures that have to be manifested in organizational and managerial restructuring, implementation of business process reengineering, liquidation or realigning of industrial enterprises.

Process of selecting the strategy of crisis management at the enterprise level includes the following basic steps: determination of the state of the industry and the state of an industrial enterprise, determination of the level of management efficiency at an enterprise, selection of a strategy of industrial enterprises. Strategy selection is based on the analysis of key factors that characterize the state of enterprise, including the results of the analysis of business portfolios and the character and content of cur-

rent strategies; reinforcement of the basic strategy by functional ones in order to achieve competitive edge.

The current state of entrepreneurial activity, characterized by the disorganization of processes, complexity and problematic nature of its planning, lack of proper motivation and enhanced control by the country, is difficult to name except as crisis state. Application of existing methods and tools in anti-crisis management of entrepreneurial activity usually is effective in the short term; it leads to rapid elimination of minor problems that stand in the way of business. Great obstacles have to overcome enormous difficulties that lead to excessive costs of business, or to go in the informal sector. It affects extremely negative both the replenishment of the country's budget and the overall economic stabilization of the country. Therefore, the use of innovative technologies of anti-crisis management will allow overcoming successfully obstacles.

Considering the need to change the trajectory of anti-crisis management, exceptional importance of the introduction of anti-crisis management at Ukrainian enterprises for the optimal choice of strategy of anti-crisis management we suggest using MMCS (the matrix of the management of crisis state of industrial enterprise). Constructing the matrix is based on two criteria: the proportion of industrial enterprise to crisis state including the degree of its manifestation and the level of management efficiency. Effectiveness of management is determined by the proportion of gross profit to administrative costs. In case when its value is > 0 , then management is effective, if it is < 0 – ineffective. Not difficult crisis state is typical for the enterprise that has no profit or equity, difficult crisis state – in case there is no net income and shareholders' equity of industrial enterprises has negative value. But the best option for evaluation of crisis state is the K-pendulum (Kryvovvazyuk, 2013).

The matrix for selection of anti-crisis management's strategies is presented in Figure 1.

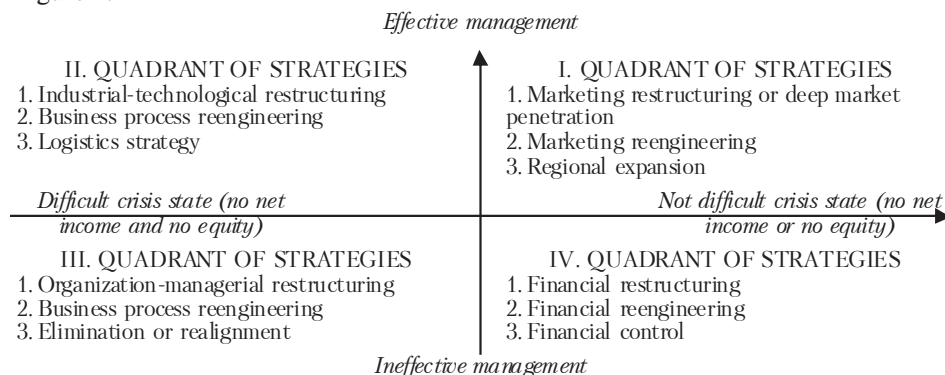


Figure 1. Model of MMCS, author's development

Below is the brief description of strategies of anti-crisis management for enterprises.

Quadrant 1. Strategy of marketing restructuring or deep market penetration means increase of sales and market share of an enterprise without changing its product-market positions due to existing products at existing markets. It can be implemented two ways: increasing sales volumes for existing consumers, attracting new consumers, who buy competitors' products. It is characterized by low commercial

risk and is implemented by using such tools as: boosting of advertising, the use of sales promotion tools; improving of service, development of distribution networks.

Strategy of marketing reengineering based on selecting marketing processes – combination of marketing measures and operations to ensure product promotion of some type. This allows extending the marketing approach not only on the activity of distribution units, but also other functional structures of a company, creating complex and closed marketing cycle. In organizational terms, these changes are expressed in the selection of working groups of marketing processes and formation of a single coordinating center of marketing activities.

The strategy of regional expansion or the strategy of market capturing means increasing marketing of products by changing the price policy of an enterprise. This strategy is characterized by high level of product value to consumers and price elasticity. Strategy of market capturing, through low prices, is appropriate at new or undeveloped markets, when a new product has not enough advantage, and its main advantage is its price. In this case the price is the lever for realization of this strategy, especially at markets characterized by high costs of transition to another supplier or replacement of main equipment, or markets that have no technical standards.

Quadrant 2. Strategy of industrial-technological restructuring involves changing basic elements of an enterprise, its transition to new technical and organizational basis. It is to convert production subsystem – the production company structure, methods and forms of organization of production, technical base and technological processes. It provides high flexibility and mobility of production depending on the dynamics of changes at a market – needs in a certain type of product, quantity and quality; ongoing technical readiness for production of competitive products that may be achieved only through a competitive technology – that is optimal (for this market and products) profitability, cost, complexity, quality and so on.; possibility of increasing susceptibility of production to different types of innovations; close connection of all kinds and stages of work for the development of innovations, their informational, technical, technological compatibility and sequence; new sense of activities of each production chain through new perception of the place and role of production per se, its new strategic orientation; most distinct interaction with external partners that participate in the research, design, marketing, and other works on the creation of new products on the basis of external cooperation.

The strategy of business process reengineering is connected with the use of method of revaluation company state, reorganization of its activities beginning with the basics that aims to sharply reduce costs, improve product quality and increase efficiency of work. The essence of business process reengineering is to move from specialization to generalization that is the refusal of the principles of labour division.

Logistics strategy focuses on optimization of enterprise resources while managing main and attendant flows. Strategic goals are specified by using one or more key or complex efficiency indexes of logistics. Development of logistics strategy can be based on maximizing (minimizing) one or more (multi-criteria problem of optimization) key indicators. There are such types of logistic strategies as: minimization of total logistics costs, improvement of logistics service, minimization of investments in logistics infrastructure, logistics outsourcing.

Quadrant 3. Organization-managerial restructuring – organizational design of product, industrial and legal restructuring that is connected with changes in partner relationships, servicing of new markets etc. It is implemented in vertical and horizontal integration, different types of cooperation, in changes in organizational structure of management.

Elimination strategy is limiting case of strategy of purposeful reduction. In this case, a firm in short term liquidate (close) separate business units because it needs regrouping of forces to ensure the efficiency growth of its activity or it refuses certain directions of its activity.

Quadrant 4. Financial restructuring strategy involves changing the structure and size of its own and loan capital and other liabilities of an enterprise. In this case the structure of liabilities can be changed by: postponement of repayment of accounts payable; receiving additional loans; debt relief or part of it; increase in authorized capital; reducing the interest rate of debt; freezing investments; the receipt of new investment from investors.

Financial reengineering strategy includes innovative processes on designing, development and realization of innovative financial instruments and processes also creative search for new ways to solve problems in the financial sector. Financial reengineering includes: finance of stock companies; trade; management of long-term and short-term investments; risk management.

Strategy of financial control includes the development of optimal decisions related to the use of financial resources and investments to ensure economic efficiency and maximizing profits. Strategic financial control is the process, organized by enterprise, of verification of the fulfillment and ensuring the realization of all strategic decisions in the field of financial activity in order to realize its effective financial strategy.

Selection of a strategy should be the basis for mission of anti-crisis policy of the enterprise and economic diagnosis of various components of enterprise potential, internal and external parameters of influence should make this process objective and effective.

The current state of the industrial complex of Ukraine is marked by several threatening trends: business activity decline, loss of financial stability, deterioration of work effectiveness, reduction of potential and competitiveness, deterioration of the crisis state in the industry in general.

The research shows that for Ukraine's industrial enterprises in the crisis state should be used the following types of strategies of anti-crisis management (Kryvovyazyuk, 2012):

- marketing restructuring – in 16.0% of cases;
- marketing reengineering – in 28.5% of cases;
- regional expansion – in 17.8% of cases;
- industrial-technological restructuring – in 3.6% of cases;
- business process reengineering – in 3.6% of cases;
- logistic management – in 8.9% of cases;
- organization-managerial restructuring – in 5.4% of cases;
- elimination or realignment – in 5.4% of cases;
- financial restructuring – in 3.6% of cases;

- financial reengineering – in 5.4% of cases;
- financial control – in 1.8% of cases.

All the above allows to make gradation of problems in functioning and development of Ukraine's industrial enterprises that causes emergence of crisis state. Thus, it is often the problems of marketing character (62.3% of cases), followed by problems of industrial and technological nature (16.1% of cases), then financial problems (10.8% of cases) and organizational management (10.8% of cases). It should be mentioned that if earlier in the conditions of establishment of market economy major problems were mainly of financial character, now it is the problems of product marketing. This fact once again demonstrates low competitiveness of products of domestic industrial enterprises, also lack of professional talent, for specialists in marketing, to represent worthy the products of their enterprises.

Therefore, among promising directions of anti-crisis policy are often recommended marketing (51.8% of cases), financial (23.2% of cases) and general management policy (17.9%).

Economic and organizational background that promotes optimization of strategies at enterprises according to the obtained results should be identified:

- clear formulation and argumentation of general corporate mission according to priority directions of its activity and development;
- achievement of satisfying balance sheet structure and sufficient level of financial sustainability (solvency);
- creation development opportunities of production of strategic group of products by attracting investments.

More attention should be paid to the creation of these preconditions in the implementation of government policy for overcoming the critical state in which domestic industrial enterprises are now.

Conclusions. The innovative approach to strategy for choice anti-crisis management of enterprise is proposed in the work and now it allows to:

1. Develop the basic tenets of the anti-crisis strategic management, including the tenets connected with the choice of further management development under crisis state of an enterprise.
2. In contrast to previous tools, it allows a more reasonable approach to management decisions at enterprise during crisis' development, to rationalize the decision-making process.

The results of the anti-crisis management strategy selection should form the basis for the development of a unified strategy of enterprise development in order to obtain higher efficiency of enterprise activity.

More results will be presented in further research on the possibilities of its application in relation to other systems functioning of the enterprise, including the logistics system.

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