

FORMATION OF A STRATEGY FOR THE DEVELOPMENT OF AGRARIAN ENTERPRISES IN ORDER TO INCREASE THE LEVEL OF THEIR FINANCIAL SECURITY

ФОРМУВАННЯ СТРАТЕГІЇ РОЗВИТКУ АГРАРНИХ ПІДПРИЄМСТВ З МЕТОЮ ПІДВИЩЕННЯ РІВНЯ ЇХ ФІНАНСОВОЇ БЕЗПЕКИ

The article substantiates the need to develop a strategy for the development of agrarian enterprises in order to increase the level of their financial security. The issue of ensuring the appropriate level of financial security of agricultural enterprises is a very urgent task, taking into account the instability of the economic and political situation, the high export potential and the leading importance of the industry in the country's food security. It has been proven that the activities of enterprises are affected by a significant number of factors that must be taken into account when developing the specified strategy. It has been established that only following a consistent algorithm of actions will allow you to achieve the set goals. In the article, agricultural enterprises of individual regions are grouped according to the level of their financial security in order to justify the most appropriate strategy for their situation. In the article, the actor emphasizes the need to take into account the specific features of economic activity in the agrarian sphere, in particular, significant dependence on natural and climatic conditions and state support of the industry to achieve high performance results.

Key words: financial security, agricultural sector, efficiency of activity, enterprises, development strategy.

У статті обґрунтовано необхідність розробки стратегії розвитку аграрних підприємств з метою підвищення рівня їх фінансової безпеки. Питань забезпечення належного рівня фінансової безпеки аграрних підприємств є досить актуальним завданням враховуючи нестабільність економічної і політичної ситуації, високий експортний потенціал та провідне значення галузі у продовольчій безпеці країни. Потрібно пам'ятати, що застосування стратегічно управління передбачає визначення та розробку стратегічних цілей, досягнення яких забезпечується формулюванням конкретних завдань та напрямків їх реалізації у сучасних умовах ведення господарської діяльності. Доведено, що на діяльність підприємств впливає значна кількість факторів, які потрібно враховувати при розробці зазначеної стратегії. Встановлено, що лише дотримання послідовного алгоритму дій дозволить досягти поставлених цілей. Метою статті є розробка алгоритму послідовних дій реалізації стратегії розвитку аграрних підприємств з метою підвищення рівня їх фінансової безпеки. У статті сільськогосподарські підприємства окремих регіонів згруповані відповідно до рівня їх фінансової безпеки з метою обґрунтування найбільш прийнятної для їх ситуації стратегії. Відповідно до проведеного дослідження доведено, що найбільш перспективними є енергетична, виробничо-технологічна та інвестиційно-інноваційна стратегії. Автором представлено структурно-логічну схему реалізації стратегії розвитку аграрних підприємств з метою зміцнення рівня їх фінансової безпеки, проведена детальна характеристика кожного етапу запропонованої стратегії. Крім того визначенні проблеми, які можуть виникнути та запропоновані шляхи їх подолання. Доведено необхідність тісної взаємодії на кожному етапі реалізації даної стратегії з метою досягнення поставлених цілей. В статті актор акцентує увагу на необхідності врахування специфічних особливостей ведення господарської діяльності в аграрній сфері, зокрема значної залежності від природно-кліматичних умов та державної підтримки галузі для досягнення високих результатів діяльності.

Ключові слова: фінансова безпека, аграрний сектор, ефективність діяльності, підприємства, стратегія розвитку.

УДК 336.221.24:631.11

DOI: <https://doi.org/10.32782/dees.4-8>

Zoia Titenko¹

Candidate of Economic Sciences,
Associate Professor,
National University
of Life and Environmental Sciences
of Ukraine

Тітенко З.М.

Національний університет
біоресурсів і природокористування
України

Formulation of the problem. The difficult economic and political situation that has developed in the country directly affects the prospects for the development of agricultural enterprises and requires ensuring the rational use of available resources to achieve the set goals. Ensuring the appropriate level of financial results of enterprises involves the formation of a clear strategy for their development, with the determination of the most optimal options for its implementation in accordance with the existing level of their financial security and resource potential. It should be remembered that the application of strategic management involves the definition and development of strategic goals, the achievement of which is ensured by the formulation of specific tasks and directions for their implementation in modern conditions of conducting economic activity.

A condition for the effective development of agrarian enterprises and ensuring the appropriate level of their financial security is the development of a set of agreed-upon plans that determine the prospects for the development of the enterprises under study in accordance with their existing potential. It is necessary to understand that in case of incorrect definition of the set goals and the possibilities of their achievement, this may negatively affect the prospects of their development. Therefore, it is advisable to develop and implement a strategy for ensuring the financial security of agrarian enterprises, as well as to improve the mechanism of its formation.

Analysis of recent research and publications.

The questions of the development strategy of enterprises with the aim of increasing the efficiency of their activities are devoted to the work of the following

¹ ORCID: <https://orcid.org/0000-0001-5816-5519>

scientists: Andriichuk V. [1], Bernytska D. [2], Gerasimchuk V. [3], Zhikhareva V. [4], Tanklevskaia N. [5], Yastremskaia O. [6] and etc. The scientific achievements of scientists on this issue are quite significant, but they require additional research on the issue of forming a strategy for the development of agrarian enterprises in order to strengthen the level of their financial security.

The purpose of the article. Research of the essence of the strategy category with the aim of developing an algorithm of sequential actions for the implementation of the strategy of the development of agricultural enterprises in order to increase the level of their financial security.

Presenting main material. In general, the strategy is a generalized model that involves the development of an algorithm of sequential actions that will contribute to the achievement of the set goals. The specified strategy will enable agricultural enterprises to achieve the appropriate level of financial security and will contribute to the growth of their competitive advantage, both on the foreign and domestic markets, and will also contribute to their adaptation to the changing conditions of economic activity.

In the scientific literature, there is a significant number of definitions of this category, but it is not so much the essence of this concept that needs to be understood, but the main directions that should be researched for the development of an effective strategy. From this position, it is worth paying attention to the research of Richard Rumelt, a professor at the Harvard Business School, who noted that strategy is a set of consistent analytical measures, concepts, methods, arguments and actions designed to find such a solution to a problem that will allow to seriously influence the situation and correct her [7, p. 18].

Considering the above, the strategy should be considered as a comprehensive model of the development of agricultural enterprises in which the algorithm of sequential actions is determined, which will ensure the achievement of the set goal. According to our research, the specified strategy will allow to increase the level of financial security and provide the possibility of timely response to the changing conditions of the external and internal environment.

When developing a strategy for ensuring the financial security of agricultural enterprises, it is advisable to take into account a set of factors that have a direct impact on it, in particular, the attraction of additional investment resources, the introduction of innovative technologies, the increase of production potential, the effective use of financial resources, taking into account climate change and ensuring state support for these enterprises (Fig. 1).

In the scientific literature, it is determined that the main tasks that must be solved in the process of developing an enterprise development strategy are:

1. Formation of a structural scheme of the strategy, which determines the target direction and the entire process of conceptual design of the development of these enterprises;
2. Study of regularities and forecast of the main directions of development of the potential of the regional system within the framework of the developed strategy scheme;
3. Determination of urgent problems and formation of the organizational structure of the development of agrarian enterprises in interaction with their resource provision;
4. Description of the main problems and formulation of strategic goals of enterprise development, assessment of their priority [9, p. 188].

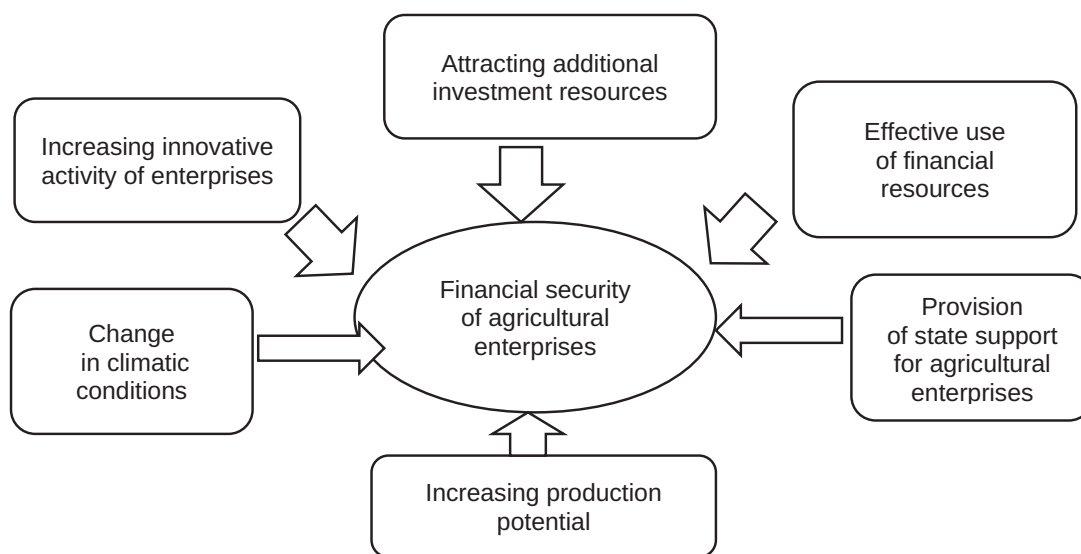


Fig. 1. Factors influencing the financial security of agricultural enterprises of Ukraine

Source: generated by the author

The formation of a strategy for ensuring the financial security of agricultural enterprises requires a certain sequence of actions.

The first stage involves the formation of the main goal, which is understood as the main goal that must be achieved as a result of the activity, in our case, it involves ensuring such conditions for conducting economic activity of the enterprises under study that will ensure the achievement of the appropriate level of their financial security.

Based on the defined goal, key goals are defined, which can be grouped according to certain directions, in particular:

- resource goal: ensuring the appropriate level of resource provision, its modernization and renewal. Definition criteria: return on capital, rate of renewal of fixed assets, operating profitability of fixed assets;

- production goal: increasing the volume of production of products of the appropriate level of quality, which will ensure the achievement of competitive advantages, both in the domestic and foreign markets. Criteria: volume of product production, grade ratio, marketability level, market share, price competitiveness;

- innovation-investment goal: increasing the amount of investment resources involved in the company's activities in order to ensure the implementation of innovative technologies. Criteria: investment attractiveness, investment attraction ratio, return on investment, return on investment resources, volume of implemented latest technologies, increase in crop yields and livestock productivity;

- financial goal: ensuring the financial stability of enterprises and the appropriate level of their financial security. Criteria: profitability of activity, integral indicator of financial security, coefficient of financial stability;

- environmental goals: preserving and restoring the ecosystem, combining economic and ecological interests in the process of economic activity. Criteria: the level of soil plowing, the amount of mineral and organic fertilizers, greenhouse gas emissions, the share of organic agricultural products, the share of enterprises engaged in the production of organic products;

- social goals: ensuring the appropriate standard of living of the rural population, by increasing the level of wages of agricultural workers, stimulating the improvement of their qualifications. Criteria: salary level, percentage of employees who underwent advanced training, availability of a social package at enterprises, standard of living of the rural population.

The final stage of the specified strategy is the effective component, which involves the analysis of an integral indicator, on the basis of which justification and selection of the strategy for the development of agrarian enterprises is carried out in order to increase the level of their financial security. The conducted

studies show that agricultural enterprises in certain regions of Ukraine have different levels of financial security, we have grouped these enterprises into three groups. In his research, the author proposes to develop directions for their development in order to increase their potential and increase the level of financial security.

The formation of an appropriate strategy for the development of agricultural enterprises involves ensuring the coherence of all components of activity and increasing its innovative potential with the aim of increasing financial indicators.

Figure 2 shows the structural and logical scheme of the implementation of the strategy for the development of agricultural enterprises in order to strengthen the level of their financial security.

That is, the timeliness of all production processes is important for agricultural enterprises (the lateness of at least one, for example, the application of herbicides significantly reduces the obtained result), the introduction of innovations (both innovative technologies in general and individual types of them, for example, the use of high-yielding varieties of agricultural crops and highly productive livestock breeds) and increase the quality parameters of manufactured products (the promotion of agricultural products to foreign markets requires producers to ensure compliance with European standards regarding their safety), which will contribute to increasing the level of their financial security.

In our opinion, it is important to carry out control at all stages of strategy implementation, which is due to constant changes, in particular the external environment. It is necessary to quickly react to the specified changes and carry out the adaptation of management decisions in the process of implementing the specified strategy, if the need arises.

The enterprise chooses among the proposed strategic alternatives the one that is currently the most acceptable for implementation in the production process and will ensure reliable access to foreign sales markets. We believe that the following strategies are the most suitable for implementation by companies in the seed industry: diversification, integrated development and economic growth based on innovations.

The indicators of the level of financial security of agricultural enterprises in different regions differ significantly, and it is also worth noting their fluctuations over the years. Table 1 shows the distribution of these enterprises according to the integral indicator of their financial security in 2020.

In accordance with the structural and logical scheme of implementation of the strategy for the development of agrarian enterprises in order to strengthen the level of their financial security, the following types of strategies can be proposed for implementation: the strategy of innovation and

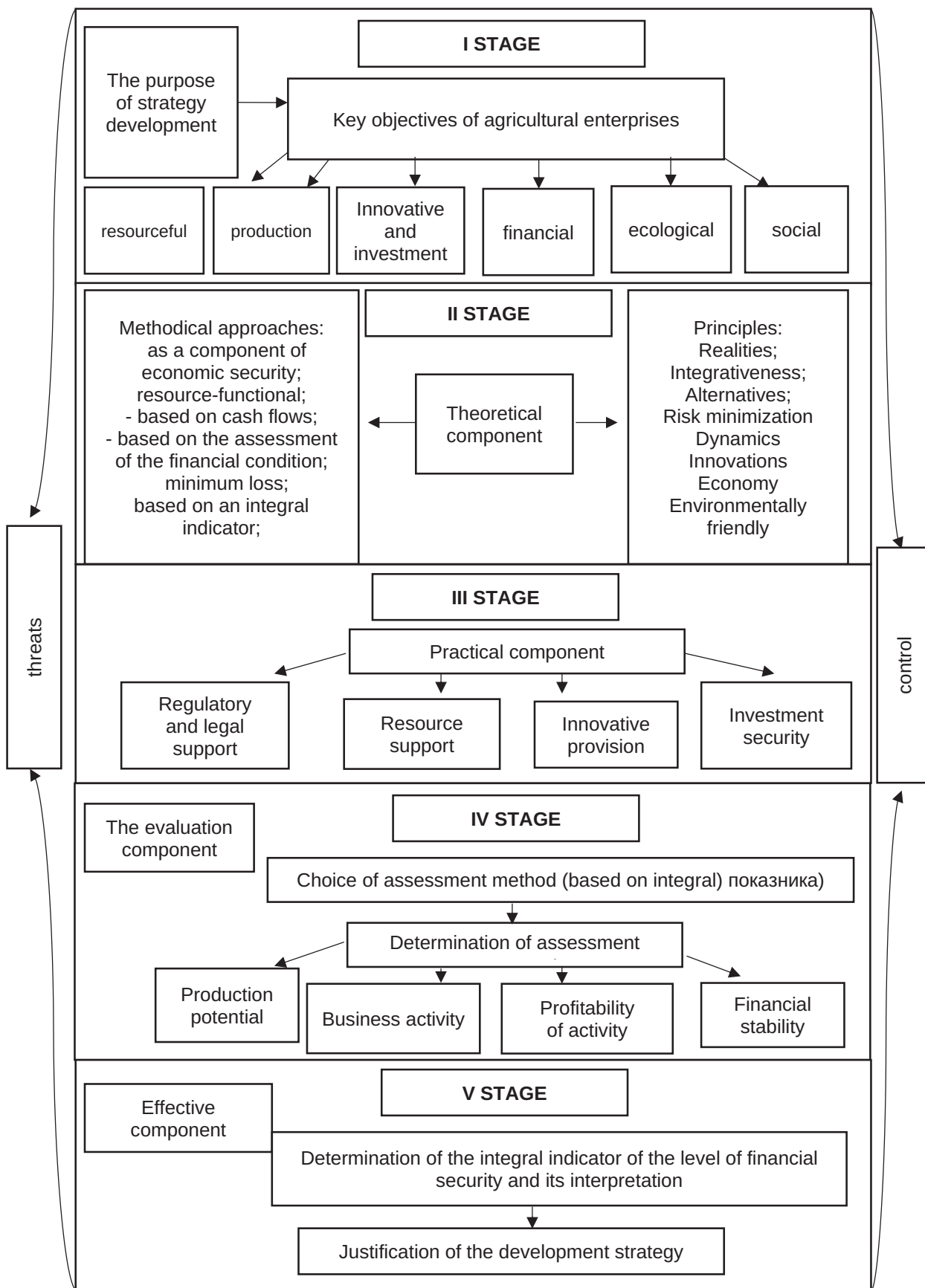


Fig. 2. Scheme of implementation of the strategy of the development of agricultural enterprises in order to strengthen the level of their financial security

Source: developed by the author

Table 1

Classification of agricultural enterprises of different regions of Ukraine according to the level of their financial security, 2020

Characteristic	High level	Intermediate level	Low level
Regions	Volynsk Kyivska Lviv Sumy Ternopilsk Kharkivska Khmelnyska	Donetsk Zhytomyr Zaporizhzhia Ivano - Frankivska Luhansk Poltava Khersonsk Chernivtsi	Vinnytsia Dnipropetrovsk Zakarpattia Kirovohradsk Mykolayivska Odesa Rivne Cherkassy

Source: developed by the author

investment development; production-technological and synergistic strategy.

According to the calculations, it is advisable to introduce a synergistic strategy for enterprises with a low level of financial security. Its essence is that by combining individual components (these can be resources, sales markets, other types) enterprises can increase their financial results.

The phenomenon of synergy in the economic literature is used relatively recently, therefore it is not so widely used, although its practical implementation is quite promising in the opinion of the author.

The American scientist I. Ansoff introduced the term "synergies" into economic literature to justify the allocation of group structures in the company's organizational structure in the 50s and 60s. Synergism means strategic advantages that arise as a result of combining two or more components of a strategy into a single entity. As a result, the whole is greater than the sum of its parts [8].

As the author notes, the implementation of the production and technological development strategy in order to strengthen the level of financial security of agrarian enterprises is a rather important stage in the implementation of the strategy. The conducted studies show that there are enterprises with rather low indicators of production potential and profitability, which is due to unsatisfactory results of operational activities. It is important for them to pay attention to the improvement of production technologies in order to increase production volumes and reduce the unit cost of production. Taking into account the high risk of economic activity by agrarian enterprises, due to the influence of natural and climatic conditions, it is advisable to diversify production processes. Thus, in 2022, due to a significant amount of precipitation in the autumn period, according to preliminary data, a large number of enterprises were not able to collect the harvest in a timely manner, which affected both its quality and price, which led to the deterioration of their financial condition.

In our opinion, the innovative investment strategy for the development of agrarian enterprises is quite promising for implementation. It involves attracting

investments for the introduction of advanced production technologies. However, investors tend to invest in companies that have strong financial performance and an adequate level of financial security in order to minimize risks. Therefore, it is necessary to understand that not every enterprise has the opportunity to implement it, especially when we are talking about small enterprises. The implementation of this strategy is possible due to the development of appropriate state support programs for agricultural enterprises, which will be aimed at stimulating their innovative development. We believe that the implementation of this strategy will provide the opportunity for enterprises to increase their financial and economic potential and increase competitiveness in the foreign market.

In addition, it is necessary to remember that in the practical activity of enterprises, they can implement several strategies of their development at the same time, the main condition is the absence of contradiction between the main goals of the strategies.

Conclusions. Therefore, the strategy for the development of agricultural enterprises in order to increase the level of their financial security involves a set of consecutive actions aimed at achieving the set goals, during the implementation of all the specified stages, it is necessary to take into account existing threats and risks, as well as to carry out operational control at all stages.

The implementation of this or that strategy in the activity of each individual enterprise must be determined individually, taking into account the real state of economic activity and the available development potential. A well-balanced state policy to support agricultural producers is of great importance in this matter. A properly implemented strategy in the activities of enterprises will allow them to increase the level of financial security and stimulate their development in the long term.

REFERENCES:

1. Andriichuk, V. G. (2017) Concentration in the agrarian sphere of the economy: current aspects. Kyiv: KNEU, 303 p.

2. Gerasymchuk, V. G. (2000) Strategic management of the enterprise. Graphical modeling: Education. Manual. Kyiv: KNEU, 360 p.

3. Zhikhareva, V.V. (2017) Formation of the enterprise development strategy in conditions of uncertainty. *Economy and society*. Vol. 9, pp. 423–427

4. Bernytska, D. (2012) Strategic analysis of the enterprise's external environment by the PEST/STEP analysis method. *Economic analysis*. Vol. 11(2), pp. 145–151

5. Tanklevska, N.S. (2014) Building a financial strategy and its importance in a competitive market environment. *Science and economy*. Issue 4, pp. 50–56.

6. Hrynyov, A. V. & Yastremska O. M. (2006) The quality of the formation of the enterprise's financial strategy. *Finances of Ukraine*. Vol. 6, pp. 121–128.

7. Rumelt, R. (2014) Good strategy, bad strategy. What is the difference and why is it important. M.: Mann. 448 p.

8. Ansoff, I. H., & McDonnell, E. J. (1990), *Implanting Strategic Management*, 2nd Ed., Cambridge, Great Britain: Prentice Hall International (UK) Ltd.

9. Dudar, V. (2015) Integration of the agricultural sector of the economy of Ukraine with the European Union in the context of the functioning of the free trade zone. *Herald of TNEU*, vol. 2, pp. 7–17.