

## THE FORMATION OF STRATEGIC POTENTIAL OF ORGANISATION IN THE MARKET CONDITIONS

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In the article explains the purpose of the strategic potential of the company. Grounded its role in the competitiveness of enterprises. Singled out factors influencing potential and formed a list of major threats and opportunities for further development of the organization. The main components of the formation of strategic potential are considered. Designated the relationship between the effective use of resources and a synergistic effect.

**Keywords:** enterprise, strategic potential, possibilities, resources, flexibility, competitiveness, competitive edge.

**Formulation of the problem.** In the current market conditions with strong competition and quickly changing environment inability of enterprises to carry out its activities with a focus on the future leads its to defeat in the competition, which primarily aims to achieve a leading position in a specific market segment, provided by forming long-term competitive advantages. Effective implementation of the strategic directions of development of organization depends on potential business opportunities and resources, which constitute strategic potential of organisation.

**Analysis of recent researches and publications.** For solving problems of formation and estimating competitive edges and competitive conduct of organization a huge contribution have made by R. Ackoff, A.E. Voronkov, G.V. Kozachenko, L.A. Kostyrko, L.M. Kuzmenko, M. Mintzberg, Porter, A.A. Thompson and others.

Directly engaged the issues of determining the merits of the strategic potential such scientists as: A.A. Sushchenko, E.A. Lapin, V.D. Markov, A.V. Berezin, V. Pastukhov, E.V. Sweden, L.S. Shehovtseva and others.

**Unsolved aspects of the problem.** A key aspect of unresolved problems is the inefficient management at all levels of management, lack of strategic vision and lack of understanding among staff the importance of forming strategic potential.

**Formulation of objectives of Article.** The purpose of the research is reasoning the need of formation strategic potential of organization for successful development in the market conditions, identifying the main factors influencing potential and forming a list of major threats and opportunities for further development of the organization.

**Research results.** Using of potential possibilities and resources of organisation determines the possibility of formation strategic potential.

The potential of any organization consists of resource components, which includes: the number of employees, the main production

and non-production assets, financial and intangible resources (patents, licenses, information technology), working capital and inventories; labor potential, capabilities of staff (education, qualification, physiological, motivational, mental capacity); management potential (the ability of management to effectively use the company's resources, make good decisions about the development of the organization, etc.), innovative potential (the ability of the enterprise to resume production, changes in technology, etc.); financial potential (liquidity, solvency enterprise); information potential (possibilities to provide the necessary information for rapid decision-making).

The strategic potential is formed in accordance to the objectives of the company and for achieving a stronger competitive advantage than the competitors.

For effective formation of strategic potential on the dynamic external environment it is necessary to determine the following impacts:

- political factors (changes in legislation, new reforms, etc.);
- economic factors (economic situation in the country);
- geographic factors (business location, proximity to suppliers, etc.);
- demographic factors (determining the age group of consumer products or services);
- market factors (allow company management to improve strategy and strengthen market position);
- competitive factors (actions of competitors and their position);
- social factors, which include such factors as changing social values, lifestyles, interests and so on.

The analysis of the above impact factors on the strategic potential allow forming a list of threats and opportunities for further development of the organization.

The main components of the company, determining its potential are:

- the ability to conduct macroeconomic analysis;

- the possibility to forecasting changes in the volume and structure of the consumer market;

- the ability to analyze the economic situation of the market of goods and services to effectively, timely and efficiently meet the identified needs and customers requests;

- the ability to nominate and implement competitive ideas;

- the ability to support competitive status of the company through the strategic management of economic zones;

- the ability of enterprises to provide internal flexibility by giving trade-adaptable manufacturing process, technological and human means;

- the ability to provide the range of goods and services, which are necessary to provide leadership in current and future market segments;

- the ability to provide a range of products and services at levels that meet the potential demand on the target market segments, taking into account the competitive status of the company and planned market share.

Thus, strategic potential is a combination of resources and capabilities of the organisation used to achieve strategic objectives in a changing environment.

The main components of the process of formation strategic potential are: objectives, opportunities and abilities, competence, results – the competitive advantages of goods and services. According to the objectives, criterials, the implementation of these components are: the level of achievement objectives; level of researching sources of the competitive advantages; the relatively high efficiency of the processes of the company, the level of goods or services value for customers, increasing probability of income [7, c. 208].

Estimating every component of the process of formation strategic potential, you can control and regulate these processes. During analyzing and evaluating of basic properties manifest strategic potential. The most significant off all properties (adaptability, adequacy, reliability, etc.) is flexibility.

The integrity of the company potential suggests unity of its features, processes, relations, contradictions and trends. Therefore, all potential properties are interdependent and interrelated. Adaptability of organization displays the state of organization development process and is a complex property that combines flexibility, which manifests itself in mental activity organization and personnel; mobility that characterizes the process of moving enterprise resources; stability and consistency, which makes social policy of the company and so on.

The concept of flexibility is usually used to determine the sensitivity and ability to respond

to change, so it is often identified with the concepts of adaptability and mobility. However, they have some differences and peculiarities. So, the property system adaptability characterizes the process of purposeful change in its structure and functions according to changes in the external and internal environment, and flexibility – displays the character of relation between the elements of the system, easy of its regrouping without fundamental changes in its structure. Mobility is determined by the rate of response to the changes taking place, and can therefore be concomitant feature of both flexibility and adaptability [7, c. 208].

Flexibility and mobility provide not only sustainable competitive advantage for the enterprise market, but also changing the situation on the market to its advantage. Properties flexibility and mobility management now form a potential strategic vision – the main competence for creating long-term competitive advantage [7, c. 211].

In formation strategic potential of the organization the necessity proceed from the fact that its structure is determined by the set of interconnected local potentials (Figure 1), potentials of every kind of resources that provide the most effective implementation of long-term goals and strategic directions of the company.

All kinds of local potentials are in the direct interconnection and interdependence. Making comprehensive component analysis allows to get the most complete and accurate assessment of the strategic potential of the company.

Local potentials consist of a set of resource components, the combination of which varies depending on the strategic direction of the enterprise. Status and local potential direction of predetermined objectives forming strategic potential, determined in accordance with the strategic directions of the company, its level of resourcing and according to the character interaction with external environment.

Thus, each local potential also has its own special purpose using and development, which can be adjusted according to the signals coming from the external environment.

Essentially strategic potential is the result of the interaction of its resources (Figure 2).

The resource base of the organization from the perspective of strategic management and definition of the competitive status traditionally includes [4, c. 47]:

- technical resources (features of the industrial and commercial equipment, fixed assets, auxiliary materials, etc.);

- technological resources (dynamic technological changes, the availability of competitive ideas, marketing know-how, etc.);

- human resources (qualification and demographic composition of workers and em-

ployees, their adaptive ability to changes in the objectives and tasks of the enterprise);

- spatial resources (nature of commercial premises, the premises, communications, opportunities spatial extension);
- resources of the management system organizational structure (nature and flexibility of control system management, speed of managerial influences, etc.);
- information resources (information about the nature of the internal and external environment, main competitors, etc.);
- financial resources (state assets, their liquidity, availability of credit, etc.).

Each of these resources is the possibility of achieving specified goals of the company. This means that having certain resources, the company is able or not able to provide the necessary competitive status.

The result of the interaction of all components of enterprise resources is called a synergistic effect. Each resource separately does not possess this quality. Each resource can not express fully their properties without having interaction with others. Synergetic effect of their interaction is taken into account in the analysis and calculation of strategic potential.

The structure of analysis strategic potential of the company must meet the structure of developed strategies, cover all areas of the company and include elements such as analysis of individual businesses of enterprises, analysis of functional subsystems of organization, analysis of structural units and business processes.

An important factor in the efficient use of resources is the ability of management, who need to have a strategic vision.

Summarizing the above concept of strategic potential can be identified such approaches to defining its substance [4, c. 47]:

- resource - in which potential as a set of available resources or that may be involved with the party;
- target - the potential is seen not only as a resource, but also as opportunities for their effective using in achieving goals. It is used in the formation and implementation strategies. It allows to evaluate possibilities;
- structural and functional, in which the potential is seen as a set of elements, each of which provides the service;
- competitive, at which the potential is seen as a source of competitive advantage that will determine

the optimum development of the company in the future.

The most successful is the optimal combination of all these approaches, because strategic potential of the company is a system of interconnected elements, which characterized by different types of resources, competencies and capabilities, determine the ability to create a competitive advantages to provide effective long-term development of the company.

Managing strategic potential of the enterprise should include the following steps:

- 1) formation of information security and identify potential patterns of enterprise:
  - the allocation of resources and processes that are part of the strategic potential, namely: general management, marketing services, innovative changes and component production;
  - the establishment of the mission and goals of the organization;
  - operational management of resources;
- 2) analysis of external and internal environment to identify competitive advantages and weaknesses of the company;
- 3) forming the strategic potential methods of diagnosis, quantification of components of

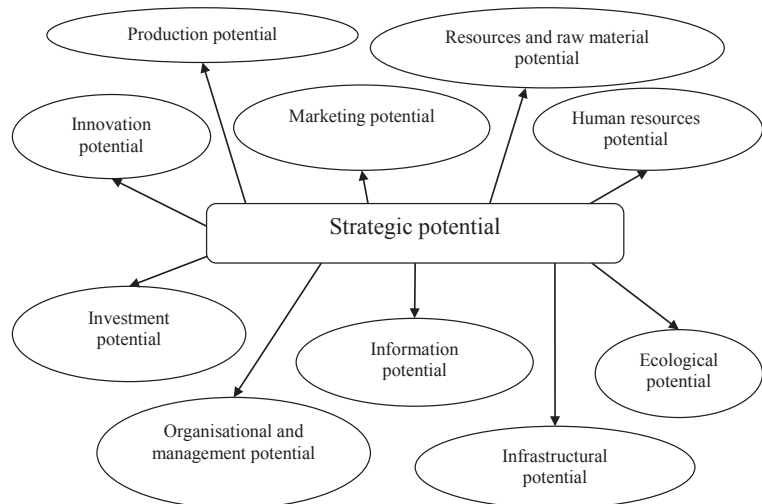


Fig. 1. The structure of strategic potential

Source: [7]

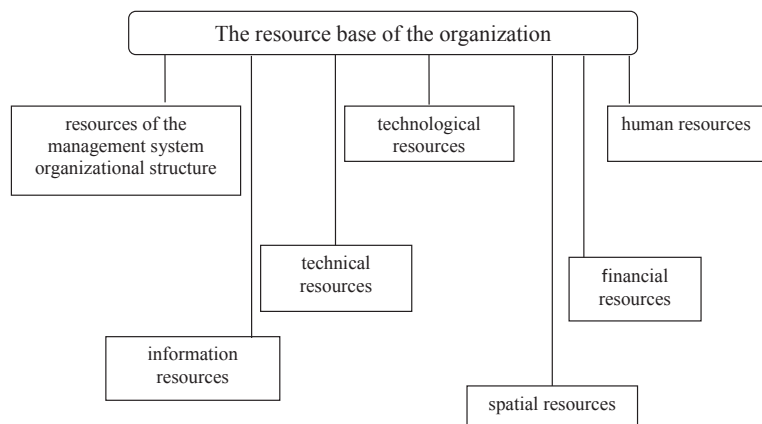


Fig. 2. Organizational resources

Source: [4]

strategic potential, analysis of mistakes and errors, the analysis of the life cycle of the company and its products;

4) identify mutual synergistic elements and conduct integrated assessment of the competitiveness of the company (product competitiveness, competitive advantages and customer value);

5) establishment of general strategies and local enterprises (current activity planning, strategic planning of the production program);

6) controlling mechanism to correct its goals;

7) monitor the using of the strategic potential to ensure the sustainability of the company.

In general, the process of formation potential of the organization is generally characterized by one of the directions of its economic strategy lies in the creation and organization of resources and competencies, so that the result of their collaboration will be success factor in achieving the goals of the enterprise.

Management potential of the entity in the real economy is based on the resources formation, its mechanism is based on a complex combination of its elements, herewith it is

important to define which factors contribute to its development elements and affecting on the balance.

**Conclusion.** Properly formed strategic potential is essential for any company that wants to be competitive and has success in the competition.

For each company forming the strategic potential connected with the search of its unique resources and capabilities that will be the basis for achieving the strategic goals and competitive advantages, which in turn will be the basis for the successful development of the company and allow it to become a leader in the market or in a particular market segment. Also it allows to predict, provide flexibility and adapt to changes.

Formation strategic potential is the base for management in the new economy and confronts the task of a thorough analysis of strategic management.

Managing the process of formation strategic potential enables to analyse the influence of external and internal environments factors in the details, which in turn help to predict potential threats and opportunities of its removing.

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## ФОРМУВАННЯ СТРАТЕГІЧНОГО ПОТЕНЦІАЛУ ПІДПРИЄМСТВА В РИНКОВИХ УМОВАХ

### Анотація

В статті визначено сутність стратегічного потенціалу підприємства. Обґрунтовано його роль в забезпеченні конкурентоздатності підприємства. Виокремлено фактори впливу на потенціал. Сформовано перелік основних загроз та можливостей підприємства для подальшого розвитку. Розглянуто основні складові процесів формування стратегічного потенціалу. Встановлено зв'язок між ефективним використанням ресурсів та синергетичним ефектом.

**Ключові слова:** підприємство, стратегічний потенціал, можливості, ресурси, гнучкість, конкурентоздатність, конкурентна перевага.

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## **ФОРМИРОВАНИЕ СТРАТЕГИЧЕСКОГО ПОТЕНЦИАЛА ПРЕДПРИЯТИЯ В РЫНОЧНЫХ УСЛОВИЯХ**

### **Аннотация**

В статье определена сущность стратегического потенциала предприятия. Обосновано его роль в обеспечении конкурентоспособности предприятия. Выделены факторы влияния на потенциал. Сформирован перечень основных угроз и возможностей предприятия для дальнейшего развития. Рассмотрены основные составляющие процессов формирования стратегического потенциала. Установлена связь между эффективным использованием ресурсов и синергетическим эффектом.

**Ключевые слова:** предприятие, стратегический потенциал, возможности, ресурсы, гибкость, конкурентоспособность, конкурентное преимущество.