

RESOURCE STRATEGY FOR ENTERPRISE MANAGEMENT AS A TOOL TO ENSURE ITS COMPETITIVENESS

Stoyan Radev Koev, University of National and World Economy
Svitlana Pavliuk, Mykolayiv National Agrarian University
Marta Derhaliuk, National Technical University of Ukraine Igor Sikorsky KPI
Liudmyla Sokolova, Kharkiv National University of Radio Electronics
Oksana Portna, V. N. Karazin Kharkiv National University

ABSTRACT

In the course of scientific research, the object of which is the process of formation of a resource strategy of the enterprise in the context of ensuring its competitiveness, it is necessary to study the features and regularities of the formation of the latter in order to ensure its effectiveness and the possibility of putting the obtained results into practice. Theoretical bases of formation of a resource strategy of the enterprise are based on the action of economic laws and regularities, basic concepts of resource, system and strategic management, understanding of which will help to formulate objective conclusions and develop practical recommendations for increasing the level of competitiveness of the enterprise and maintain it in the long run. In order to improve the process of forming a resource strategy from the standpoint of ensuring its competitiveness, the following measures are proposed: the algorithm of formation of a resource strategy of the enterprise is developed; the portfolio of enterprise resource strategies is systematized and generalized in the context of major resource groups; the recommendations on application of the improved methodology of evaluation of the resource potential of the enterprise from the standpoint of its influence on competitiveness based on the use of the system of balanced indicators are suggested.

Keywords: Competitiveness of the Enterprise, Resource Strategy, Strategic Management, Resource Potential, Competitive Advantages.

JEL Classifications: M5, Q2

INTRODUCTION

The activity of modern enterprises is connected with the need to increase competitive advantages and consolidate their own competitive positions in a fiercely competitive environment. One of the factors of providing the above is the resource factor, because it is through the efficient use of the resource potential in the production process that it is possible to achieve price, environmental, technological and innovative competitive advantages.

In conditions of environmental instability caused by the impact of globalization processes, as well as the active competitive struggle of enterprises, one of the important factors for ensuring competitiveness is the resource factor. Indeed, the availability of resources and the efficiency of their use can affect the formation of various components of the enterprise competitiveness, namely: contribute to improving the quality of products and ensure, on this basis, competitiveness by activating the use of technological and information resources; ensure reducing the cost of resources in the technological process through its innovation, which will allow the enterprise to reduce the cost of its products and compete on price advantages; ensure reducing emissions of harmful substances into the atmosphere and using environmentally friendly resources in the production process, which can help the enterprise to ensure the environmental component of competitiveness; intensify the use of information and technological resources by the enterprise to ensure improving the innovative and technological basis of enterprise competitiveness. Under these conditions, the problem of providing maximum flexibility and adequate response to changes in market conditions and conditions of their functioning to ensure the concentration of resources to achieve the maximum possible level of competitive advantages, which can be ensured by developing an enterprise resource strategy, is actualized.

The purpose of the article is to study the theory and practical recommendations for developing a resource strategy for enterprise development in the context of ensuring its competitiveness.

REVIEW OF PREVIOUS STUDIES

In view of the above, it is necessary for the enterprise to use its own unique resource, as well as to assure the efficient and rational use of basic resources that ensure the creation of a product or service (Drobyazko, 2019; Durmanov et al., 2019). It is possible to ensure the above through the development of a resource strategy for the enterprise.

The main purpose of a resource strategy is to provide the enterprise with all types of resources (Brewster, 2017; Stoyanova et al., 2019).

The formation of an organization resource strategy is highly dependent on the market situation, for which reason you should also take into account the fact that for developing resource strategies the leading scientists in the field of strategic management propose to use an approach (Dayan et al. 2017), which is similar to the definition of strategic economic zones, in the development of which the resource needs of enterprises are determined through “*zones of strategic resources*” (Tulung, 2017) characterizing the situation of providing the needs of the enterprise with certain types of resources.

A resource strategy refers to supporting strategies of the strategic set, the implementation of which also means the formation of new or transformation of existing production potential of the enterprise (Di Giamberardino & Iacoviello, 2017).

The structure and content of strategies depend on the industry affiliation of the enterprise, the nature of production, its location, ownership and management level (Ni et al., 2017). If the first three characteristics determine the statement and structure of required and available resources, the last two – the decision-making system for developing and implementing resource strategies.

The formation of a resource strategy is based on an algorithmic principle, when each subsequent procedure is based on the results of the previous one, and the procedures themselves are performed according to certain rules (Hilorme et al., 2019 a&b; Skrypnyk et al., 2019). Each subsequent procedure allows you to adjust the results of the previous procedures. Iteration cycles can be repeated many times. The works inherent in any stage, an appropriate level, can also be partially performed at other stages.

METHODOLOGY

In the process of the study there were used general scientific and special methods of scientific knowledge, namely: generalization and abstraction; comparisons; comparative analysis; structural analysis; expert survey; technical and economic calculations; mathematical statistics, modeling.

The information and analytical base of the study consisted of the adopted legislative and regulatory acts on competition, official statistics, analytical materials of scientific institutes and centers, scientific studies, professional literature, and information on the practical activity of enterprises.

RESULTS AND DISCUSSIONS

The formation of a resource strategy is a very urgent problem due to the need to quickly and professionally eliminate the negative phenomena in the activity of the enterprise and, with the help of economic levers, to achieve an increase in the level of manufacturing of products and competitiveness of the enterprise in the market.

The ultimate goal of ensuring the above should be to increase the level of competitiveness of the enterprise by ensuring the efficient use of its resource potential. The process should encompass a set of interrelated logical stages, which are illustrated in Figure 1.

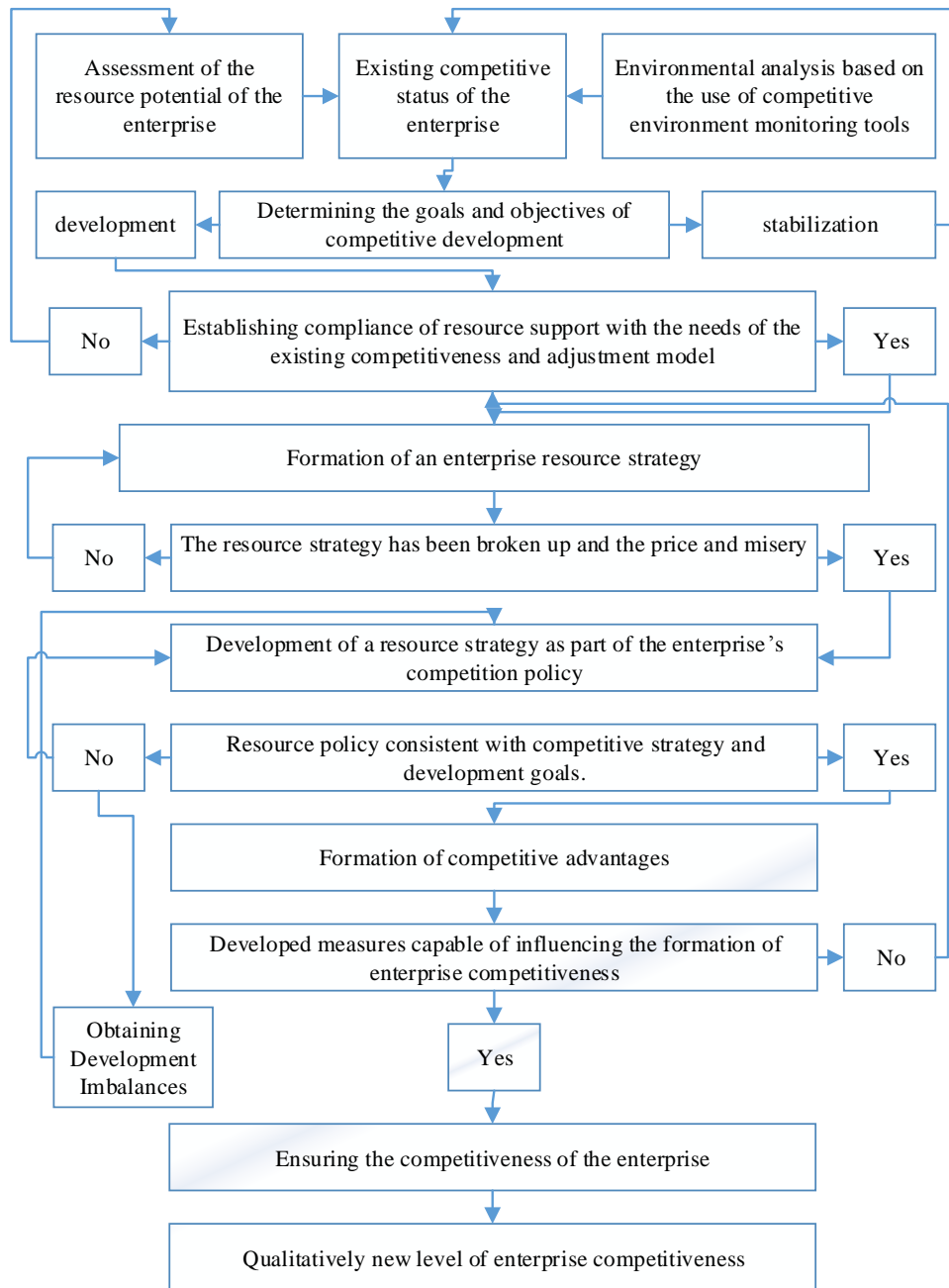
As shown in Figure 1, at the first stage you should conduct an analysis of the internal and external environment of the functioning of the enterprise, evaluate each component of the resource potential of the enterprise in accordance with its purpose of competitive development, and identify advantages and disadvantages with a view to their future correction.

Potential internal opportunities are considered in the context of a motivational mechanism of personnel management, efficiency and actualness of the organization system of planning and control; ensuring the reasonable development of production potential; quality and competitiveness of own production; financial security management of the organization and information support of the management system of the organization.

Performing an analysis of the environment on the basis of the methods of monitoring of the competitive environment will allow the enterprise to evaluate its own market position and determine its existing competitive status, in order to establish the prospects for future competitive development.

At the next stage the adjustment of the chosen strategy of competitive development regarding its compliance with the goals of the enterprise activity and its internal capabilities is carried out. If a strategy meets the goals and the available means of their achievement, the main directions of a resource policy are determined within the framework of a competition one, the purpose of which is to ensure the competitive advantages of the enterprise. An important feature

of competition policy is that, in accordance with defined strategic directions of the development of the competitiveness of the enterprise, it is necessary for it to cover such areas as: financial; organizational and management; staffing; technical and technological.



Note: Author's Development

FIGURE 1
ENTERPRISE RESOURCE STRATEGY DEVELOPMENT ALGORITHM

In addition, the policy is developed in accordance with the levels of adoption and implementation of corporate decisions and the conditions for its detailing. Thus, a corporate policy is a general policy of the enterprise, which determines the segments in which the enterprise operates the directions of its activity and the type of consumers.

At the same time, within the development of the resource strategy of the enterprise under study, it is equally important to develop a portfolio of resource strategies that can be applied both to individual areas of enterprise management (or a separate type of resources) and, in general, as a complex resource strategy that synthesizes different components (Table 1). Such strategy will determine the structure, sources of revenue and directions of use of different types of enterprise resources in the context of achieving its goals. The portfolio of resource strategies will cover the management of logistical, financial, human resources.

Table 1 PROPOSED INDICATIVE ENTERPRISE RESOURCE STRATEGY PORTFOLIO TO ENSURE COMPETITIVENESS		
Strategy	Strategy type	Strategic alternative set
Strategies by types of logistical resources	The strategy of providing structures, buildings	use of existing structures, buildings in the existing state; use of existing structures, buildings with their corresponding repair; search for new structures and buildings under lease terms; construction of new structures, communication buildings
	The strategy of providing production (trade) equipment	use of available equipment; modernization of old equipment; purchase of new modern production (trade) equipment; combining available equipment with new or upgraded equipment
	The strategy of providing transport facilities	own transport; use of carrier services; rented transport; a combination of different sources
	The strategy of providing commodity resources	use of existing suppliers, with whom favorable relationships are established; search for new suppliers, if necessary, preferred use of existing suppliers; constant search for new suppliers; establishing mutually beneficial long-term contractual relationships
	Inventory management strategy	fixed purchase interval; fixed purchase size; one-on-one strategy; a minimum-to-maximum strategy
	The strategy of providing floor spaces	own production (trade) floor space; leased production (trade) floor space
Financial strategy	The strategy for the formation of financial resources involves identifying sources of funding	Self-financing strategy (provision of financial resources at own expense: retained earnings, equity, etc.); borrowing financing strategy (short-term or long-term loan commitments); strategy of combining the provision of financial resources at the expense of own and borrowed funds
	The strategy of accumulation and consumption	Provides forecasting and substantiation of the optimal ratio between the amounts of income used in the formation of these two funds
	Lending strategy	ways to obtain the necessary loans and search for funds for their repayment; creditworthiness of an enterprise is one of the features of its stable existence in the market, and this requires the identification of a separate strategy, which will contain the means and methods of obtaining loans, the amount and schedule of debt repayment
	Dividend strategy	Provides payment of dividends (increase, decrease, suspension of payment of dividends)

	Financing strategy for other functional strategies and investment projects	substantiation of the allocation of necessary funds for the entire period of their implementation, the strategy refers to the specific investment type of strategies, which is identified separately because of its importance
Strategies for managing human resources of the enterprise	Growth strategy	Attracting staff, improving their skills; creation of motivation system; formation of favorable moral and psychological climate, career growth.
	Staff attraction and retention, personnel stabilization	Internal redeployment of staff, personnel retraining, strengthening of social guarantees
	Organization of mass layoffs and employment assistance	encouraging early retirement, staff retention, retraining
	Cost leadership strategy	orientation on attraction and retention of workers of mass professions of average qualification
Material resources management strategy	Logistics management strategy	strengthening control over the condition of trade equipment, timely replacement of outdated equipment; recycling or reuse of waste, utilization of secondary resources, household waste; setting standards for the operation of a particular type of equipment, term of use of certain types of equipment
	Commodity resources management strategy	strengthening control over the technical condition of transport means, conducting regular technical inspections; waste management, recycling and use of lubricants; setting standards for oil change, tire mileage, fuel consumption, etc.

Note: Author’s Development

Practical use of the above algorithm of strategy development and taking into account the indicative portfolio of resource strategies is possible only under condition of its adaptation and considering the realities of functioning of the market of lighting fittings where the enterprise operates. It should be noted that the chosen approach to formation of a resource strategy and selection of its components (Table 1) is not universal, since in every real situation it is necessary to rely on the circumstances and risks that arise. Each stage has its own significance and requires the use of specific, in terms of the development and implementation of competitive strategies, procedures and techniques. When developing resource strategies, it is advisable to use the methodological toolkit, namely: methods of monitoring the competitive environment and strategic positioning (BCG, “*Product-market*” matrices, “*Market attractiveness – advantages in competition*” model); analyzing the level of market monopolization, analyzing the market share of competitors, its growth rate, etc.; analysis of the state and structure of the resource potential of the enterprise under study, opportunities to expand sources of supply of resources, features of the industry, SWOT analysis, PEST analysis; analysis of market environment and competitors, analysis of industry dynamics, consumer analysis, segmentation.

RECOMMENDATIONS

No less important than the development of a resource strategy in the context of providing enterprise competitiveness is the implementation of this strategy, which should cover the definition of current objectives and implementation of planned actions, creation, support and development of market success factors, key competences, resource opportunities and competitive

advantages, tracking results, determining deviations, corrective actions, assessing the effectiveness of competitiveness management.

CONCLUSIONS

The results of theoretical and practical studies of problems of formation of resource strategy of enterprise management in the context of ensuring its competitiveness make it possible to draw a number of conclusions. The competitiveness of an enterprise is its ability to ensure the effective functioning and improvement of competitive positions in a highly competitive market environment. A resource component is one of the components of ensuring the competitiveness of an enterprise. In today highly competitive environment, reconciling the strategic goals of an enterprise with its resource opportunities is possible by means of the development of an enterprise resource strategy.

In addition, the study of the external environment takes place in the directions of existing and potential competitors; competitive advantages and miscalculations of competitors; consumers and their preferences in order to improve the characteristics of own products and identify new segments and free market «niches»; contractors and contact audiences, etc.

The practical significance of the study results is to make practical recommendations on the development of a resource strategy considering the factors of an unstable external environment and improving the technologies of enterprise competitiveness management.

Perspectives of further study are the development of a toolkit for assessing the competitiveness of the enterprise, in particular, a balanced scorecard for assessment of the resource potential of the enterprise. In the process of developing a resource management strategy for an enterprise, we consider it expedient to use a comprehensive assessment of the potential of the main components of the enterprise activity, which shape its competitiveness on the basis of calculation of indicators of providing financial, labor and material resources, as well as estimated indicators of the effectiveness of their use. The use of the above methodical approach will allow to carry out a comprehensive assessment of the resource potential of the enterprise, which shapes its competitive advantages.

REFERENCES

- Brewster, C. (2017). The integration of human resource management and corporate strategy. *Policy and Practice in European Human Resource Management*, 22-35.
- Dayan, R., Heisig, P., & Matos, F. (2017). Knowledge management as a factor for the formulation and implementation of organization strategy. *Journal of Knowledge Management*, 21(2), 308-329.
- Di Giamberardino, P., & Iacoviello, D. (2017). *An optimal control problem formulation for a state dependent resource allocation strategy*.
- Drobnyazko, S., Barwińska-Małajowicz, A., Ślusarczyk, B., Zavidna, L., & Danylovyh-Kropyvnytska, M. (2019). Innovative entrepreneurship models in the management system of enterprise competitiveness. *Journal of Entrepreneurship Education*, 22(4), 1-6.
- Durmanov, A., Bartosova, V., Drobnyazko, S., Melnyk, O., & Phillipov, V. (2019). Mechanism to ensure sustainable development of enterprises in the information space. *Entrepreneurship and Sustainability Issues*, 7(2), 1377-1386.
- Hilorme, T., Perevozova, I., Shpak, L., Mokhnenko, A., & Korovchuk, Y. (2019a). Human capital cost accounting in the company management system. *Academy of Accounting and Financial Studies Journal*, 23, 1-6.
- Hilorme, T., Sokolova, L., Portna, O., Lysiak, L., & Boretskaya, N. (2019b). Smart grid concept as a perspective for the development of Ukrainian energy platform. *IBIMA Business Review*, 2019, 923814-923814.

- Ni, L., Zhang, J., Jiang, C., Yan, C., & Yu, K. (2017). Resource allocation strategy in fog computing based on priced timed petri nets. *IEEE Internet of Things Journal*, 4(5), 1216-1228.
- Skrypnyk, M., Radionova, N., Vlasiuk, T., Bondarenko, S., & Grygorevska, O. (2019). Mechanism of formation of the social component of sustainable development reporting. In *Vision 2020: Sustainable Economic Development and Application of Innovation Management*. Copyright.
- Stoyanova, T.A., Koev, S.R., Stoyanov, P.P., Zhyvko, Z., & Laptiev, V. (2019). Strategic Management of the Personnel Development of Industry Companies. *Academy of Strategic Management Journal*, 18(3), 1-6.
- Tulung, J.E. (2017). Resource availability and firm's international strategy as key determinants of entry mode choice. *Jurnal Aplikasi Manajemen*, 15(1), 160-168.