

with higher education could increase by 35%. Consequently, there will be an urgent need for low-skilled labor force for the simpler activities. The working age population continues to grow only in the developing countries - only in Central Africa in the period from 2005 to 2050 is forecast growth of 1 billion people. But we should bear in mind the negative aspects of increasing migration: significant costs, the risks of certain social groups of unemployment, loss of cultural identity. For example, Malta and the Italian island of Lampedusa should not take all migrants from North Africa only because of its geographical proximity to the region. The introduction of restrictions on entry of foreign workers leads only to an increase in the flow of illegal migrants claim Goldin and Cameron. To avoid this, the government must not overlap the border, and to take care of the proper distribution of migrants between regions and countries.

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UDC 338.984

THE IMPROVEMENT OF STRATEGY PLANNING AT AN ENTERPRISE

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The article deals with the theoretical aspects of strategic planning at the enterprise. It also reveals the special role of strategic planning which is considered to be the main factor that contributes to the strengthening of the competitive advantages of organizations. The analysis of the strategic planning of the OJSC "Osipovichsky Bakery" is given here and some ways of its work improvement is also suggested.

The term "strategic planning" was introduced in the 60-70s in order to indicate the difference between the current management at the production level and the top-level management. The need to fix this difference was due primarily to changes in the business environment. The main ideas of strategic management are reflected in the paper-works of such authors as Frankenhofs and Granger (1971), Ansoff (1972), Schendel and Hatten (1972), Irwin (1974) and others. And the main idea which reflects the change from operational management to strategic is the idea of the need to shift the center of attention from the top management to the environment one in order to adequately and timely respond to the changes that occur [1, p. 157].

To determine the economic essence of the concept "strategic planning" it is necessary to consider its set of definitions from the perspective, but we must keep in mind that still there is no consensus on this issue.

Having analyzed the existing approaches in defining the essence of the concept "strategic planning", we can conclude that the "Strategic planning - is the main principle of the organization accepted for a long term with the help of which the staff will be guided by performing specific actions, needed to achieve the goal that is set.

The term "planning" includes the definition of goals and ways to achieve it. More often organizations' planning activities are revealed through the basic principles and modern methods.

The system of strategic planning principles is shown on the figure 1.

In practice, the principles of strategic planning are implemented through planning methods. A method of strategic planning is the particular way that helps solving any planning problems.

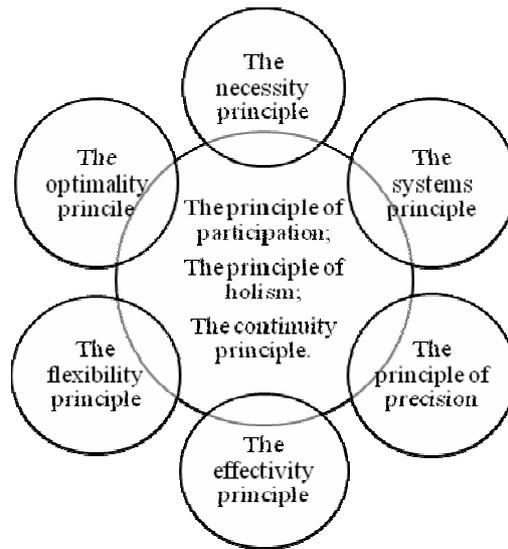


Fig. 1. The system of principles of strategic planning

The following methods of plans development are used in the strategic planning:

- 1) The expert method is based on the usage of indirect and incomplete information or on his or her experience, it means on his or her intuition;
- 2) The method of socio-economic analysis is the comprehensive research of the socio-economic reality, including the study of the internal connections and dependencies in order to see the progressive tendencies of its development;
- 3) The method of direct engineering and economic calculations is discovered in order to determine the market needs in a certain kind of a product or to determine the possibilities of its production; it also implies the balance method which is used to provide consistency of interconnected parameters ;
- 4) The mathematical economic methods and models help to answer such questions as, for example, drawing up an optimal production program with known amount of human and material resources;
- 5) The method of system analysis and synthesis is revealed through decomposition, when one composes something into compound parts or determination key issues of perspective development [3, p. 55].

The use of specific methods and principles should occur at a time and at a particular stage of strategic planning. These steps represent the strictly sequential and cyclic chain operations that interdependent with each other. Schematically, the structure of the strategic planning can be divided into stages that are shown on the figure 2.

1	•The organization's mission
2	•The objectives of the organization
3	•Analysis and assessment of the external environment
4	•Analysis and assessment of the internal structure
5	•Development and analysis of strategic alternatives
6	•The choice of strategy
7	•Realization of strategy
8	•Assessment of strategy

Fig. 2. Stages of Strategic Planning

Source: own development is based on the study of economic literature.

The basis of the strategic plan development is the analysis of perspective development of the organization (forecasting) with certain assumptions about the changes in external environment in which it operates. The most important element of this analysis is the determination of positions of the organization in the competition. Using this analysis, the development objectives of the organization are formed and the emerging strategic business entities and certain strategies to achieve them are taken.

The object of the research is the OJSC "Osipovichsky Bakery" which specializes in the production of bakery and confectionery products.

The OJSC "Osipovichsky Bakery" operated as a Republican Unitary Production Enterprise (RUPE) "Mogilevlebprom" from 25.01.2001 till 26.12.2013 and was registered by the decision of the Mogilev Regional Executive Committee №3-5 18.06.2001, since 27.12.2013 it has been renamed into Open Joint Stock Company "Osipovichsky Bakery" [4].

The situational analysis of the organization has been carried out in three directions: SWOT-analysis, the analysis of market segments and the competition analysis.

The results of the SWOT-analysis helps to reveal the ways to preserve and multiply its strength, to effectively and timely use the available opportunities for strengthening its weaknesses and to avoid threats.

The analysis of its market segments has shown that the greater proportion of the total sales at the OJSC "Osipovichsky Bakery" is bakery. During the analyzed period, the organization has sold its products mainly to the various outlets of Osipovich district, for example, in 2014 it was 58%. But on the other hand we can see the decrease of bakery and confectionery sales from other sales analysis.

The reduction of sales is caused mainly by the increased competitive position on the market of Osipovich district. Competitors of Osipovich bakery could strengthen their position in the market due to more attractive prices for similar goods and convenient schedule delivery of products to the shops, and they can also develop a system of returns and payments of callousness.

Competitive analysis revealed that the main threat to the OJSC "Osipovichsky Bakery" is the IE "Region-Product" from Bobruisk and the PMC "Minskhlebprom", as their products have better taste, more convenient time of implementation, and a wider range of pleasant appearance that stimulates strong demand for these products. In addition, the competitors use trading network with convenient delivery schedule, terms of repayment and payment of callousness, that is why the OJSC "Osipovichsky Bakery" is now working very hard on strengthening its competitive advantages [5].

As a result of detailed analysis of the strategic planning of the OJSC "Osipovichsky Bakery" we have identified the following problems that are hindering the efficiency of its implementation:

- The absence of clear development strategy at the organization;
- The absence of separation between the main functions in services, engaged in the implementation of the strategic planning of the organization. The development of strategy at investigated organization is carried out by the economic planning department, as a result the financial strategy prevails above the rest components of the plan (marketing, resource, manufacturing and etc.);
- The analytical framework of strategic planning is rather weak because they do not use different modern tools while creating a strategic plan.

The results of the analysis of strategic planning system of the OJSC "Osipovichsky Bakery" shows that for the successful development, Osipovich Bakery must learn how to react quickly on changes in external and in internal environment, as well as the organization must be able to identify their strengths and weaknesses, and must identify threats and opportunities in long term. Therefore, it is necessary to take measures, which will be aimed at both: improving the system of strategic planning and determining the direction of the organization.

According to the identified weaknesses in the system of strategic planning of "Osipovichsky Bakery" we offer the following measures:

1 The realization of the principle of "sliding" in the organization.

Using "sliding" planning correctly, the OJSC "Osipovichsky Bakery" will become more competitive, quicker and more adequate in reacting to changes in the surrounding market environment. It is due to the fact that the main principle of "sliding" planning is that at the end of the planning period, the organization generates an updated plan and increases the planning horizon. For the remaining period the plan will be updated and revised only in case of emergencies, caused by changes in the external environment.

2. The distribution of the main functions between all the departments of the organization while developing the strategic plans.

Implementation of the activities in the OJSC "Osipovichsky Bakery" is necessary because strategic planning as an isolated form of management activities requires a clear allocation of roles and responsibilities between the structural units and individual leaders while developing and implementing the development strategy of the organization.

3. The use of specific tools during developing strategic plans.

The introduction of modern tools at the OJSC "Osipovichsky Bakery" will allow the organization to become more mobile and competitive.

The following specific tools were proposed by us for developing the development strategy:

1) analysis of the state of the external environment which will be based on the own forecasts, generated on current economic, political, technological and social indicators;

2) formation of competitive advantages on the detailed analysis of the microenvironment;

3) detailed analysis of the internal environment, which allows the organization to set a clear objectives and establish a mechanism of their realization;

4) optimization of product portfolio.

So, the introduction of the proposed above measures into its practice can make the work more effective due to the long-term vision of its development.

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UDC 339.187.4

THE CHOICE OF ENTRY MODE IN SEQUENTIAL FOREIGN DIRECT INVESTMENT

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Nowadays many companies decide to go international or are already internationalized. Companies produce abroad, get their materials from different countries, sell their products and services abroad or even transfer the whole departments to a foreign country. International business differs from domestic business because crossing borders means dealing with different environments. Therefore, the questions explored in this article are relevant.

The choice of an entry mode type is an important part of a firm's foreign investment strategy [1]. Companies who enter a foreign market can choose from different entry modes. The choice of entry strategy becomes particularly significant, not only for the success of a new product but also for the performance of the total new business internal development effort in the firm [2].

Entry modes can be classified in three categories: Export entry modes, Contractual entry modes and Investment entry modes [3]. The entry modes are described and the advantages and disadvantages are listed in table 1.

Table 1 – The advantages and disadvantages of different entry mode types

Indirect exporting	Direct exporting	Licensing	Investment entry
<i>Advantages</i>			
Low start up costs	Low start up costs	Low transportation costs	Low production and transportation costs
Share risks	Full control	Share risk	High control
Demands little market knowledge	Marketing advantages	Demands less market knowledge	Marketing advantages
International learning experience	Full protection of trademarks	Access to resources and local customers	Access to resources and local customers
Easy to stop	Easy to stop	No import restrictions	No import restrictions
<i>Disadvantages</i>			
High transportation costs	High transportation costs	Lack of control	High start up costs
Share profit	High risk	Share profit	High risk
Import restrictions	Market knowledge is needed	Risk of creating a competitor	Market knowledge is needed
	Import restrictions	Share technology and trademark	Long payback period
		Can not use other entry mode during licence	Difficult to quit

1. Export entry modes are entry modes where the product is manufactured in a different country. You can distinguish two main kinds of export; indirect export uses middlemen who are located in the companies of their own country and who actually do the exporting and direct exporting which does not use home country middlemen, although it may use target country middlemen [3]. Exporting is essentially the transfer of products or services to a target market.