STRATEGIES OF FOREIGN ECONOMIC ACTIVITY OF ENTERPRISES IN THE CONDITIONS OF CHANGEABLE CONJUNCTURE OF COMMODITY MARKETS

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Each company builds its own strategy of foreign economic activity by means of which an enterprise can create, form and coordinate its actions in any market. There are three basic strategies for the international activities of an enterprise: growth, reduction and limited growth (Fig. 1).

The growth strategy is a development direction of a company, which implies constant increase in the level of indicators of the previous activity period. It is developed on the basis of data obtained by three-stage analysis: first stage aims at detecting opportunities for intensive growth; second stage focuses on outlining possibilities of integrating company with other elements of industry’s marketing system; third stage supposes evaluating company’s capabilities outside the region (diversification growth).

The reduction strategy is a direction of a company development, which involves exit from a particular market of certain ranges of goods and services, production reduction or phasing out all the activities in a particular country.

The strategy of limited growth is a direction of a company development. It presupposes the preservation of the state of future and current company’s activity. This strategy is, basically, implemented by monopolies, large enterprises with a significant market share.

<table>
<thead>
<tr>
<th>Type of basic strategy</th>
<th>Criterion for evaluation</th>
<th>Strategic alternatives</th>
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</thead>
<tbody>
<tr>
<td>Strategy of growth (development)</td>
<td>increase in sales, market expansion, increase profits, additional attraction of workers</td>
<td>intensification, diversification, integration, technical and technological</td>
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<tr>
<td>Strategy of stabilization (limited growth)</td>
<td>profit instability, limited market access, pricing deficiencies</td>
<td>economy of expenses, collecting “harvest”, continuous adaptation to the external environment, preservation of scientific and technical and personnel potential of workers</td>
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<tr>
<td>Strategy of survival (reduction)</td>
<td>high prime cost (unprofitability), high cost (loss ratio), small market share, excess workers</td>
<td>organizational sanitation, economic and financial sanitation, marketing sanitation, social sanitation, business elimination</td>
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![Figure 1](image_url) Basic and alternative strategies in the international activity of the enterprise

Source: [1]

We made sure that there are many strategies of the company’s activities abroad. But despite this fact, they have one common feature - structure. The foreign economic activity of the enterprise is made up of [2]:

1. Field of activity (mission, purposes of the enterprise).
2. Corporate tasks (definition of the main interested groups of companies, criteria for evaluation of activity.
3. Determination of strategic business units.
4. Resources placement (business units, products, markets, functional departments and primary activities).
5. Development of various competitive advantages (improving competitiveness).
6. Effective functional strategy (search of options of behavior, which is focused on optimum use of all resources within the set function).
7. Synergism (competences, knowledge and intangible assets of the enterprise and resources, assets and functional processes).

In conclusion, we would like to point out that building a strategy of foreign economic activity is vital for an enterprise because it helps a company to develop.

References: