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FINAL QUALIFYING PAPER (PROJECT)

on the topic:

«System of strategic management of a trading company in a crisis»

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INTRODUCTION

The results of the analysis of the current development of the Ukrainian economy show that instability and its crisis situation are commonplace. The activity of domestic enterprises is strongly influenced by the global financial and economic collapse, conflicts of domestic legislation and unsatisfactory level of state policy.

In such conditions the special need for the development of entrepreneurial activity, the activities of enterprises and organizations aimed at the consumer, and the final result of its activity — profit, becomes particularly acute.

The strategy of the company is the basis of the process of forming the general perspective direction of enterprise development on the basis of the definition of qualitatively new goals, the coordination of internal capabilities of the enterprise with the environment and the development of a set of measures that ensure its achievement.

Strategic management is the process of developing strategies and managing the organization for its successful implementation, carried out in the context of the mission of the organization. The fundamental task is to ensure that the mission will be interrelated with the main goals of the organization in a changing and unstable economic environment.

The formation of such strategy will allow the company to respond to the crisis situation promptly, to avoid losing time in coordinating anti-crisis management with all stakeholders, to show the public that the enterprise is aware of the scale of the crisis and already has an action plan for its settlement.

The process of strategic management of the enterprise was investigated by many domestic and foreign scientists-economists such as I. Ansoff, M. Porter, H. Mintzberg, M. Groh, A. Mishchenko, B. Miziuk, Z. Shershnova, K. Kovtunencko, G. Piatnytska, L. Lukashova, N. Raksha and others.

However, in the publications of the above-mentioned scientists the problem of strategic analysis of the environment of the enterprise operation, especially in a crisis, the identification of its strengths and weaknesses, threats and opportunities that need

to be taken into account when choosing a business strategy is not sufficiently solved. That is why the study of this issue is relevant.

The goal of the final qualifying paper is to improve of the strategic management of the strategic management system of LLC "Silpo-Food" in crisis.

According with the goal, **the main tasks** of this research paper are:

- to reveal the essence of strategic management system in a crisis;
- evaluate the weak and strong sides of the organization;
- make general analysis the enterprise activity results;
- identify opportunities and threats in the existing strategic system of the enterprise;
- analyze the process of strategy implementation;
- evaluation the result after strategy implementation;
- develop measures to strengthening the enterprise' strategic management system in a crisis;
- make predictive evaluation of the results of LLC "Silpo-Food" after the implementation of proposed measures.

The object of the research is the process of the enterprise' strategic management in a crisis.

The subject of the research is a set of theoretical, methodical and practical aspects of improvement of the enterprise' strategic management system in a crisis.

The theoretical and methodological basis of the research was the methods of observation, comparison, analysis and synthesis, modeling of economic phenomena, fundamental works of domestic and foreign economists in the field of strategic management, information resources of the Internet, etc.

The general and special research methods were used to achieve the goal of our final qualifying paper. In particular, the following methods were used: abstraction, analysis and synthesis, comparison, grouping method, selective method; economic and statistical methods, etc. Data processing was carried out using the tools of the Excel software.

The work was performed on the materials of the limited liability company “Silpo-Food”.

The information base of the study was the current legislative acts and normative documents, the accounting and statistical reporting of the investigated enterprise, the data of the management accounting of the enterprise, the publication of domestic and foreign scientists and practitioners.

The main scientific result of the research is the development of theoretical and methodological principles for the enterprise’ strategy system formation and to make it possible to withdraw from a crisis. The methodological provisions and recommendations that determine the **scientific novelty** of the research is follows substantiating the methodological approach to the mechanism of formation of strategies, which is based on connection between the basic strategy of the enterprise and other elements of the hierarchy of strategic management systems. It allows to make better decisions in the process of managing trade enterprises.

The practical value of the research lies in proposed methodological approach to the development and implementation of the strategy that allows enterprise get out from the crisis. Given recommendations are improved to the level of practical using in LLC “Silpo-Food” and can be applied at other trade enterprises for timely implementation of measures to eliminate the symptoms of a crisis.

Partially the results of our research are given in the form of scientific article (appendix A).

Structure and scope of the final qualifying paper. Our research paper consists of three parts, introduction, conclusions and recommendations, list of 52 sources, 5 appendices. The main text part of the final qualifying paper contains 51 pages, 11 tables and 13 figures.

PART 1

THEORETICAL AND METHODOLOGICAL FOUNDATIONS OF THE ENTERPRISE' STRATEGIC MANAGEMENT SYSTEM

1.1. The enterprise' strategic management system: components and features in a crisis

Nowadays the complex conditions of management, changes in technology and the growing demands of consumers require modern managers' new knowledge and skills that meet the requirements of time. The vital need to use strategic management as one of the most effective and most progressive means of managing an organization is prompted by the development of market relations, and growing competition in any market.

"If you don't have a strategy, you are part of someone else's strategy" [22, p.159]. Strategic management is the direction of science and management practices that arose in response to the growing dynamism of the environment, instability and uncertainty in the 1970's. A modern tool to manage the development of organization in a context of constant changes in the external environment is strategic management.

The general meaning of the concept "crisis" is a sharp break in something, complicated transitional state, difficult situation. This word is borrowed from the German "krisis".

During the time process of developing scientific research, the concept of "crisis" has a deeper meaningful value. So, for today there is a numerous of judgments of various scholars about the definition of "crisis".

Scientist L. Barton believes that the crisis is a large-scale, unforeseen event that leads to potentially negative results. This event and its consequences can cause serious damage to the whole organization: workers, products, communications, finances and reputation[3, p.2].

C. Hermann made the following statement: “The crisis is an unexpected and unpredictable situation that threatens the organization's priorities in a limited time for decision-making”[4, p.19].

According to the papers of A. Stengret and O. Kopilyuk, the crisis is an increase in the number of interconnected crisis phenomena, which lead to a slight deterioration of certain indicators of the enterprise, but do not cause destruction of the self-preservation system [5, p. 52].

Strategic Management in a crisis is a matter of concern not only of managers and owners of the enterprise, but also of participants of the market. Crisis management by its nature is management, which sets additional risks for a variety of economic structures, without which the enterprise cannot survive. It is necessary to investigate types of crisis (appendix B).

The mechanism of strategic crisis management of the domestic enterprises is only being formed. In scientific and economic literature the essence of crisis management is considered as an enterprise management system that has an integrated, systemic and aimed at prevention of unfavorable business phenomena due to the use of all potential modern management, development and implementation at the enterprise special strategic programs, which allows to disarm the temporary ones difficulties, save and multiply market positions in all circumstances, relying mainly on own resources.

Based on the analysis of definitions the essence of the strategic management in a crisis we can conclude that it is a special type of management, directed for warning, maximum prompt and effective removal possible complications, threats and negative consequences of crisis phenomena due to the influence on the system of certain factors both external and internal.

At the same time, an important point is to identify the reasons of the crisis and try to avoid it by prevent diagnostics. In a theory the causes of the crisis situations can be divided into two groups: external that caused by the influence of external factors that do not depend on the enterprise, and internal that caused by the influence of factors that are regulated by the enterprise[7].

Nowadays most top managers consider strategic planning as the most important tool to manage the company in times of crisis. The crisis changes the role of the annual plan in the management of the company. In a crisis conditions, company needs to specify the direction of development and designate priorities while leaving it freedom in terms of concrete interpretation.

Given the multifaceted nature of the enterprise's activities, it is appropriate to note the need for a certain list of interconnected strategies, which is the so-called “strategic set” or “strategic system”. Especially the formation of strategies’ system becomes necessary, especially in cases of sudden changes in the external or internal environment of the company, as in times of crisis.

Strategic set is a system of various strategies developed by the company for a certain period of time, which reflects the specifics of the operational type and development stage of the enterprise, as well as the level of its claim to place and role in the external environment.

In turn, the implementation of the strategy requires a systematic approach since only the system can provide the formation of stages and components of the strategy in all divisions of the enterprise. In most cases only system approach to the formation of the organization's strategy allows to establish its integrity, systematization and organization. In a systematic approach, attention is focused on the components of the strategy, the properties of its elements, manifested in the interaction.

There cannot be two identical strategic kits that govern enterprises even if they belong to the same industry. This is explained by the conditions of functioning of each of the enterprises: the peculiarities of the adaptation of the internal environment to the requirements of the external, as well as the degree of activity of the management's influence on the formation of the environment of the functioning of the organization.

A well-formed strategic set is one that reflects the achieved level of development, the features and conditions of its further movement, in accordance with the chosen strategies. In the practice of strategic management, the following strategies are singled out (fig.1.1).

- General for the whole enterprise (corporate);
- Competitive for individual business areas;
- For each of the directions of the organization;
- For each of the functional subsystems of the enterprise;
- Resources to ensure the achievement of strategic guidelines for general, functional and product-product types.

*Fig.1.1. Typical strategic set of the company**

*Note. Generalized by the author on the basis of the source [29].

The development of any strategy system takes into account many factors: the nature of the enterprise, its structure, personnel potential, industry specifics, trends of macroeconomic processes, the state of the legal framework governing the conditions of economic activity, etc. Researching this task, scientist Kruglov N. describes the most successful system of strategies as a combination of three groups: entrepreneurial, organizational and labor strategies (fig.1.2).



*Fig. 1.2. Company's strategy system**

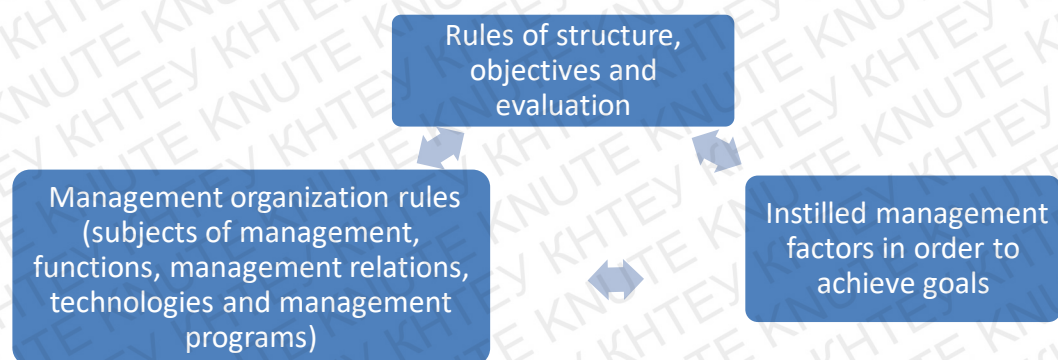
*Note. Generalized by the author on the basis of the source [49].

Target orientation of each specific strategy is determined by an indicative representation of a specific management goal — a Landmark of management, which is refined in the process of developing and implementing a strategy. A Landmark of management corresponds to a certain strategy. Thus, a pair of ‘strategy and landmark’ is forming.

The company's mission can be divided into several levels, forming a tree of management guidelines. To select the appropriate mission of the company to the strategy, it is necessary that the level of the missions corresponds to each level of the strategy, the totality of which forms a tree of entrepreneurial strategies (appendixC). Also entrepreneurial strategy has several strategic directions (fig.1.2).

In addition to entrepreneurial strategies that determine the focus of the company’s activities and interaction with the external environment, other strategies are developed for internal activities of organization. These strategies are the set of rules and methods that shows the approach of how the company is organized.

An organizational strategy makes it possible to systematize a set of its substrategies in such way that their combination determines the object of management, the management mechanism and the organization of management. The system developed in this way includes such rules (fig 1.3).



*Fig. 1.3. System of rules to systemize the substrategies**

*Note. Generalized by author using the source [49].

To understand the system of strategies clearly it is necessary to highlight such an important aspect as the life cycle of an enterprise.

According to the general approach the life cycle of an organization consists of the following stages (fig 1.4).



*Fig. 1.4 Stages of life cycle in the organization**

*Note. Generalized by author using the source [17].

But such division of the stages of the life cycle is generalized and does not reflect all stages of organization development. Domestic scientists G. Osovska and A. Osovsky [52, p. 258] consider the following stages of the organization: birth; childhood teenage period; early maturity; bloom of forces; complete maturity; aging; upgrade.

The other author I. Adizes proposed to divide the enterprise' life cycle into the following stages: birth (courtship); childhood; wild years; youth; flowering; maturity; aristocracy; bureaucracy; death [23].

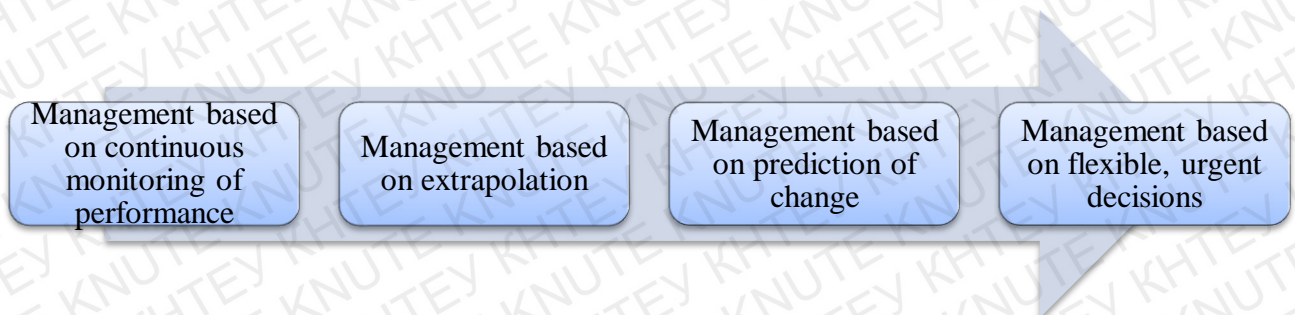
Each stage of the life cycle differs from the previous one. As well as the crises those arise in the organization throughout its activity. Often crises become a turning point in the growth of an organization, its transition to the next stage of its life cycle.

Investigating this task Scientist L. Greiner [51] believed that the company during its existence in the industry consistently passes through 5 stages of growth. And at every stage the crises is arising in different ways. Consider these stages more detailed (appendix D).

The crisis in the last stage of the growth of the company has not yet received its name. L. Greiner [51] believed that this crisis would be associated with the employee's physical and moral exhaustion due to intensive team work on the one hand and the introduction of new ways of working on the other.

In the course of growing instability, world-wide management practices have gradually developed special methods for organizing the activities of enterprises in terms of novelty and complexity of the environment, which are also quite acceptable to our practice, regardless of the reasons for these changes. The more complex and

unexpected situation surrounding the enterprise, the more complicated the management system (fig.1.5).



*Fig. 1.5. The main stages of management systems' evolution**

*Note. Generalized by author using the source [37].

The system of strategic management in a crisis situation includes the last two stages:

- Management based on prediction of change – when unexpected events start to occur, the level of change is accelerated, however, it is still possible to predict future trends and determine their timely response to these predictions.
- Management based on flexible, urgent decisions – when new situations and goals arise so quickly that they cannot be foreseen in a timely manner.

These stages can be realized by applying such types of management as: a) on the basis of ranking of strategic tasks; b) for weak signals; c) in the conditions of strategic surprises.

Ranking of strategic tasks due to the presence of a large number of unequal tasks will be solved. On the basis of analytical materials, all tasks are divided into four groups: the most urgent and important, which require immediate consideration and resolution; important for the medium term and can be resolved without reviewing the deadlines; important non-terminating, requiring constant control; have arisen on the basis of inaccurate information and do not deserve attention.

Managing weak signals is associated with early signs of possible events that eventually refer to and events require managers to make appropriate decisions. At high rates of volatility of situations you can lose a lot of time and the company will

lose competitive advantage. Therefore, it is justified to prepare a managerial decision for incomplete information that may be of a previous nature.

Management in the conditions of strategic surprises requires the urgent development and implementation of precautionary measures to eliminate interruptions in work, threats and costs, as well as the restoration of normal business activities. To increase the efficiency in case of timely elimination of emergency, it is recommended to pre-design a complex of activities at the enterprise, which includes special training and conducting classes.

Based on the foregoing, we can formulate the interdependence of these factors. As you can see, there is a change in goals and priorities in each period of the organization's existence. In order to survive and operate effectively, the enterprise as a system must clearly formulate a strategy both in the internal environment and in the external, due to the correct situational planning of competitive behavior. So, one of the main tasks of the enterprise is the formation and implementation of a competitive strategy.

1.2. The scientific approaches to the formation of the enterprise' strategic management system and evaluation of the results of its' functioning

The formation of the enterprise' strategic management system, especially in crisis situation, is individual for each enterprise. It's depend on the sphere of business, product group, market conditions, regional infrastructure, enterprise management systems, production and management costs structure, technical and technological features, etc.

In a crisis situation more attention should be paid to the manager or specialist's group who are responsible for developing the strategy. An important point in preparing for a crisis situation is the choice of the responsible person - the chosen employee should be the competent source of information for the target groups. The essence of his work is constantly receiving information of the situation's

development, that has emerged, and to help those who need this information to get it clear and in time.

Thus, the strategic system of the enterprise in crisis situations should rely on the following principles:

- Must have a business development strategy for at least three years;
- Before the crisis appears, the company needs to be prepared in advance. It means to have a ripe anti-crisis program; in its developing is necessary to determine the target audience, which is most important for the enterprise;
- Every employee should know what action to take before the crisis, during the crisis, after the crisis;
- Allocate information flows that pass through the target audience;
- Appoint responsible persons for the coordination of measures;
- Appoint employees for media negotiations;
- It is necessary periodically to organize “provocative crises” (training).

Preventing the financial crisis of an enterprise, effectively overcoming it and eliminating negative consequences is ensured in the process of a special system of financial management, which is called “crisis financial management of the enterprise” [8, p. 39].

The modern methodology of strategic management is used as a key approach to overcoming the task of an adaptation of the enterprise, which allows, as I. Ansoff noticed [9] to answer the question: “How and who will do it?”. Consequently, the chosen strategy of adaptation must determine the essence and the mechanism of its implementation.

As the general analysis of enterprise activity is usually related with an analysis of its main operational activity, you should focus on the technical and organizational issues. There are also purely economic methods of factor analysis of the enterprise’ internal environment with further consideration of their interconnection and construction of the corresponding factor model or structural-logical scheme.

A generalized representation of a conducted analysis can be used as an indicator, which quite objectively characterizes the level of adaptation of the enterprise in the

changing environment. However, the high level the potential does not mean equally high to its ability to adapt.

Thus, the main goal of anti-crisis management is early diagnosis of a foreseeable crisis, restoration of the balance of the enterprise and ensuring favorable conditions for its further development.

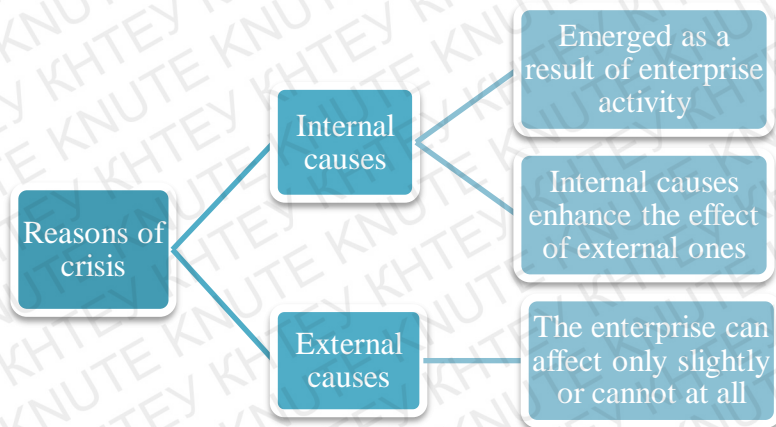
There are different methods and scientific approaches to the definition of the internal crisis situation in the development of the enterprise. Also scientist A. Kolyshkin [53] describes models of bankruptcy as a tool searching for opportunities of bankruptcy. As well powerful analytical tool that allows you to figure out the risks of an entity and place them at the top priority is the map of risks.

Conceptual formation of crisis management at the enterprise is based on the following basic provisions:

- Crisis can be diagnosed, expected and triggered;
- Crisis to a certain extent can be accelerated, outstripped and pushed;
- An enterprises should be prepared to the crisis;
- Crises can be mitigated and guided, crisis management processes can minimize its negative consequences;
- Management in a crisis requires special approaches, tools, knowledge and skills [10].

Anti-crisis management is a management that includes a set of activities, and starts with the diagnosis of the crisis and ends with the development and implementation anti-crisis strategy of the enterprise. Anti-crisis management is the process of preventing or overcoming the crisis of an organization. Thus, the crisis management in some case is a control in a crisis.

The success of the crisis management strategy depends first of all on how the management of the enterprise can find out in time the occurrence of the initial event from which the movement to the crisis turning point begins. There are internal and external causes, because of which the enterprise “falls into the crisis” (fig.1.5).



*Fig.1.5. Reasons of crisis emergency on the enterprise**

Note. Generalized by author using the source [32].

Internal factors arising from the activity of the enterprise itself can also be the cause of the crisis. Moreover, internal factors increase the effect of external factors. The process of planning the way out of the crisis can be called a strategy and tactics of management, and the getting out of the crisis is connected with eliminating the reasons that caused it.

With the elimination of the causes that contribute to the emergence of the crisis, is directly related the search for ways out of it. The external and internal environment of the business must be carefully analyzed, the components that really matter to the organization have to be selected, information may be collected and tracked for each component, and the causes of the crisis must be determined on the basis of an assessment of the real situation of the enterprise. Accurate, comprehensive and timely diagnostics of the state of the enterprise is the first stage in developing an anti-crisis management strategy.

But there is no universal strategy for all enterprises and companies have to choose its own way of creating, developing and implementing the most appropriate strategy according to their external and internal conditions on the market they act.

The evaluation and control of strategy implementation is a logical final stage in strategic planning. This process provides a steady feedback between the process of achieving goals and the goals of the firm itself.

The main tasks of control are:

- Identification indicators to check;
- Assessment of the condition of the controlled object in accordance with accepted standards, norms or other benchmarks;
- Determining the causes of deviations as a result of evaluation;
- Adjustment, if necessary and possible.

For strategic control these tasks have certain specificity due to its focus on finding out to what extent the implementation of the strategy leads to the achievement of goals. And this is the main criterion for evaluating the chosen strategy, which essentially differs strategic control from managerial or operational control, since the correctness of a strategy or performance of individual works, functions, and operations is not central. Strategic control focuses on clarifying whether it is possible to further implement the chosen strategy and whether its implementation will lead to the achievement of the goals. Adjusting the effects of strategic oversight may relate to both the strategy being implemented and the firm's goals.

If the strategy meets the goals of the firm, further assessment is conducted in the following areas.

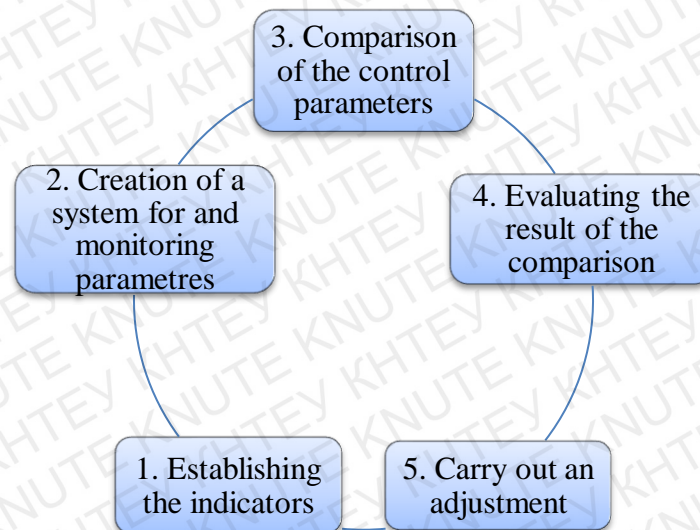
1) If the chosen strategy meet the requirements of the environment. The extent to which the strategy is related to the requirements of the main subjects of the environment, the extent to which factors of the dynamics of the market and the life cycle of the product are taken into account, whether the implementation of the strategy will lead to the emergence of new competitive advantages, etc., is checked.

2) If the chosen strategy appropriate to the potential and capabilities of the firm. The extent to which the chosen strategy is related to other strategies is assessed, whether the staffing strategy is consistent, whether the existing structure is able to successfully implement the strategy, whether the strategy for implementing the strategy in the timeline, etc., is approved.

In general, the Strategic Control System contains five main elements (fig.1.6).

1. Establishing the indicators for assessing the implementation of the strategy. There are several well-defined groups of indicators that fix the state of the firm's

activity: indicators of efficiency of human resources use; indicators characterizing the state of the environment; indicators characterizing internal organizational processes.



*Fig.1.6. Strategic Control System**

*Note. Generalized by author using the source [36].

2. Creation of a system for measuring and monitoring the state of control parameters which is based on:

1) Market indicators of the firm's operation: the prices of products, stocks of the firm, income on the invested capital, etc.

2) Achieving the goals in different divisions of the firm. In this case, the individual units set goals, and then evaluated how they perform their tasks.

3) A bureaucratic approach, describing in detail how it is necessary to work, what to do, etc., that is, certain procedures and rules of conduct are established.

4) The establishment of relation norms and evaluation system in the firm that makes a control to be self-control. Not someone controls the performance of others, but the participants are involved in the process of monitoring their work.

3. Comparison of the real state of control parameters with their desired state. The best tools for it are the series of activities is called “Marketing Audit”. The result of the analysis of the company's product strategy should be the development of measures to optimize many of the services offered, the creation of products-novelities.

4. Evaluating the result of the comparison and make an adjustment decision. When the actual state of the control parameter is lower than its desired state, it is necessary to identify the reason for this deviation and make adjustments in the behavior of the firm, which may concern both means of achieving the goals, and themselves.

5. Carry out an adjustment. Revision of the strategy involves finding out whether the changes in the environment made it difficult to implement the strategy or even no longer meet the goals set. The reasons for the unsatisfactory work of the firm should be sought in its structure, or in the functional systems of the firm's activities, and even at the level of individual operations and processes.

The need for strategic control is conditioned, on the one hand, by the correctness of the implementation of the chosen strategy and its compliance with its goals, and on the other hand, - compliance with the conditions of a dynamic external environment and ensuring timely response to them. The course of the implementation of measures of the strategic plan is monitored: terms, costs, quality. The peculiarity of strategic control is that the main subjects of control are the content of the strategies, the state of the enterprise's potential, the goals and mission. The control operations are analytical and evaluative.

The control assessments are the basis for the adoption of coordination decisions, that is, the system of management decisions on the plans, organization and stimulation of the participants in the strategic project (fig.1.7).

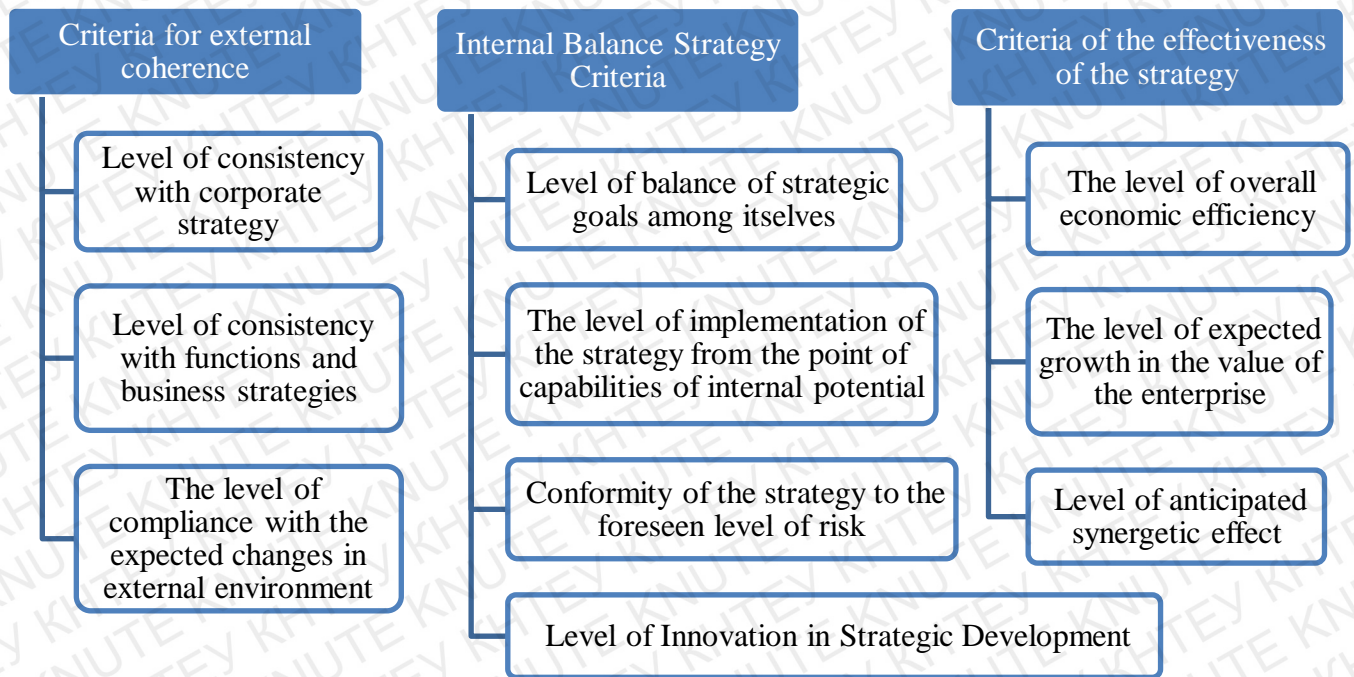
The main criterion for the quality of the chosen strategy is usually considered the economic results of the enterprise, for which research used a method that involves the consistent application of the following steps (fig. 1.8).

There are two methods of forming the composition of evaluation indicators: expert and logical. The basis of the logical method is such a normative structure:

$$Ts < Tccp < Tmc < Tvcp < Tnnp < Tx < Tp, \quad (1.1)$$

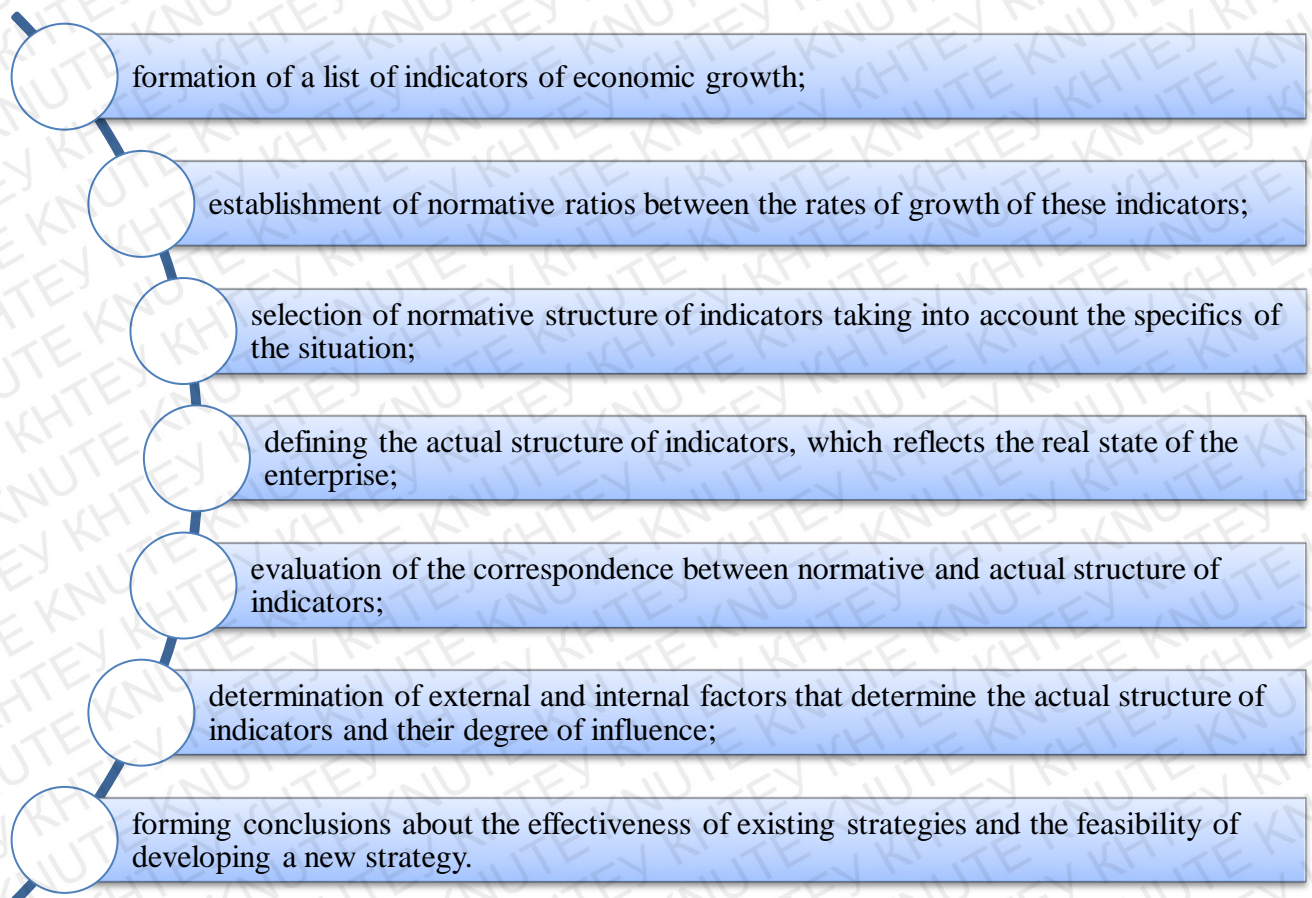
$$Tx = Tp + Tmc, \quad (1.2)$$

where Ts – salary; $Tccp$ — full cost of commodity products; Tmc — material costs; $Tvcp$ — the value of commodity products; $Tnnp$ — Normative-net products (includes insurance and income); Tp —profit growth rate.



*Fig. 1.7. The system of strategy's evaluation criteria of the enterprise**

*Note. Generalized by author using the source [25].



*Fig. 1.8 Algorithm of evaluation of the strategy's system of the enterprise**

*Note. Generalized by author using the source [25].

If the normative range of indicators determines the conditions for the development and implementation of a strategy, in which the enterprise can increase its potential opportunities and benefits. In this case, a series of indicators described for the inequality may have a completely different sequence. And each order in which the indicators are located will reflect a certain state of the enterprise, which is conditioned by the characteristics of the strategy being implemented. So, if the dynamics of activity indicators of the enterprise is approaching NRP, then the development strategy will be rational.

PART 2

INVESTIGATION OF THE STRATEGIC MANAGEMENT SYSTEM IN “SILPO-FOOD” LLC

2.1. Analysis of the enterprise' activity results and factors that influence on its strategic management system in a crisis

“Silpo-Food” LLC is one of the largest national food supermarket chain. Supermarket ‘Silpo’ is a self-service shop with the range up to 20,000 items of food and related products depending on the volume of the store's retail space. ‘Silpo’ chain of supermarkets is a structural unit of Fozzy Group and is the leader in its sales structure. Today the network has 234 supermarkets in 56 cities of Ukraine, including 70 supermarkets in Kyiv and 4 delicious-markets ‘Le-Silpo’ in Kiev, Dnipro, Kharkiv and Odessa [21].

A modern organization is a complex organic system. Everything inside such system is called the internal environment of the organization. From this definition logically follows the necessity and significance of the analysis of the internal environment of the organization to achieve its strategy and make it effective and competitive.

Conducting strategic analysis of the internal environment as an element of strategic management it is crucial to have full and correct strategic vision of the organization as a whole.

Given the current state of strategic management, the following structure of the strategic analysis of the internal environment of the organization is recommended: individual business organizations; functional subsystems of the organization; structural divisions of the organization; all business processes of the organization.

Such structure of the strategic analysis of the internal environment corresponds to the structural process of developing the overall organizations' strategy and the final structure of its corporate strategy. The problem of assessing its own strategic

position and its surroundings is based on situational analysis of the organization and focused on following key issues:

1. Are the company's prices and costs competitive?
2. Is there a general profit company making?
3. What are the strengths of the company, its weaknesses, opportunities and threats?
4. How effective is the existing strategy of the company?

Thus, the first step in analyzing the system of strategic management is expedient to conduct an analysis of internal environment of the enterprise.

On the official site of the supermarket is written that the objectives of the 'Silpo' network of supermarkets are commercial, industrial, researching and charitable activities in order to generate profits and meet other needs.

In the 'Silpo' supermarket weighted price policy is one of the most competitive advantages. Specialists of the Monitoring Service regularly monitor the dynamics of market prices and react promptly to changes in order to offer optimally low prices for products that customers are most interested in. One of the main tasks facing the Monitoring Service is to control the prices for the most frequently purchased goods, since the optimal price is a significant factor. Also very important issue in the work of the Service is regional features in the range and pricing. In order to best suit the needs of buyers in different cities of Ukraine and in each "Silpo", the study of consumer preferences for each region is regularly conducted in all regions where the company operates. Consequently, in the "Silpo" supermarket a decent range of the most popular products is presented at the best low prices.

So, answering on the first question it is obviously that the company's prices are competitive.

The next step is to find out the efficiency of the activity of LLC "Silpo-Food". Financial analysis is the best tool to reflect the effectiveness of the enterprise. It is necessary to select the main indicators of the balance of the enterprise during the last 3 years (table 2.1).

Table 2.1

Dynamics of basic indicators of economic activity of “Silpo-Food” LLC during 2015-2017 years, thousand UAH*

Indicators	Years			Absolut deviation to the previous year		Growth rate to the previous year	
	2015	2016	2017	2016	2017	2016	2017
Net income from sales of products	35022577	34738968	492267	-283609	-34246701	-0,81%	-98,58%
Cost of sold products	-28093748	-27935424	-483992	158324	27451432	-0,56%	-98,27%
Gross profit	6928829	6803544	8275	-125285	-6795269	-1,81%	-99,88%
Other operating income	664139	591772	246674	-72367	-345098	-10,90%	-58,32%
Administrative expenses	-667897	-748781	-51574	-80884	697207	12,11%	-93,11%
Selling expenses	-6183267	-6547372	-214012	-364105	6333360	5,89%	-96,73%
Other operating expenses	-361514	-249464	-52426	112050	197038	-30,99%	-78,98%
Financial result from operating activities	380290	-150301	-63063	-530591	87238	-139,52%	-58,04%
Other financial income	137124	868867	470102	731743	-398765	533,64%	-45,89%
Other income	439763	770931	3173344	331168	2402413	75,31%	311,62%
Financial expenses	-701014	-759598	-317766	-58584	441832	8,36%	-58,17%
Other expenses	-1661779	-1110509	-3123598	551270	-2013089	-33,17%	181,28%
Income from income tax	-293	-2947	-424	-2654	2523	905,80%	-85,61%
Net financial result	-1405909	-383557	138595	1022352	522152	-72,72%	-136,13%

*Note. Calculated by the author based on enterprise reporting data (Appendix F).

From the table 2.1 we can conclude that gross profit of LLC “Silpo-Food” decreased during the last 3 years from 6928829 thousand UAH to 8275 thousand UAH (the total sum is -6920554 thousand UAH). The same situation is with financial result from operating activities and net income from sales of products that decreased on 443353 thousand and 34530310 thousand UAH accordingly. Despite the results of mostly constant reduction of financial indexes, net financial result increased from loss of (-1405909) thousand UAH to profitable result 138595 thousand UAH in 2017 year.

The following figure expresses the value of net financial result during the last three years the most clearly (fig. 2.1).

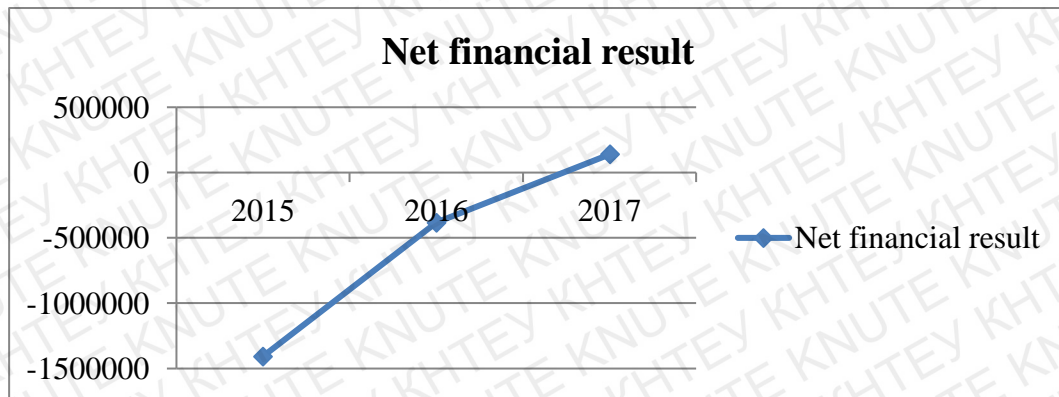


Fig. 2.1. 'Dynamics of net financial result LLC "Silpo-Food"'*

*Note. Elaborated by the author based on enterprise reporting data (Appendix F).

In order to understand the profit growth nature it is better consider the structure of the net financial result of the LLC "Silpo-Food" by the incomes and expenses (table 2.2).

Table 2.2

The structure of the net financial result of the LLC "Silpo-Food" by the incomes and expenses*

Indicators	Thousand UAH			Share in the structure, %		
	2015	2016	2017	2015	2016	2017
Net income from sales of goods	35022577	34738968	492267	96,58	93,96	11,23
Other operating income	664139	591772	246674	1,83	1,60	5,63
Other financial income	137124	868867	470102	0,38	2,35	10,73
Other income	439763	770931	3173344	1,21	2,09	72,41
Income value	36263603	36970538	4382387	100	100	100
Cost of sold products	-28093748	-27935424	-483992	74,58	74,79	11,40
Administrative expenses	-667897	-748781	-51574	1,77	2,00	1,22
Selling expenses	-6183267	-6547372	-214012	16,41	17,53	5,04
Other operating expenses	-361514	-249464	-52426	0,96	0,67	1,24
Financial expenses	-701014	-759598	-317766	1,86	2,03	7,49
Other expenses	-1661779	-1110509	-3123598	4,41	2,97	73,60
Income from income tax	-293	-2947	-424	0,01	0,01	0,01
Expenses value	-37669512	-37354095	-4243792	100	100	100

*Note. Calculated by the author based on enterprise reporting data (Appendix F).

Analyzing the structure of net financial result of the LLC "Silpo-Food" in terms of income and expenses during the last three years it is impossible not to notice a

significant difference between the structures 2015-2016 and 2017. The biggest share of income value in 2015 and 2016 compose net income from sales of goods – about 94-97%; in 2017 other income occupies the most significant share – over 72%. The same view is in expenses value structure: in 2015-2016 years cost of sold products occupies the biggest share – over 74%; but in 2017 other expenses took about 73% of the overall value. To understand the nature of these growths it is better to study both articles.

Due to the article ‘Other Income’ shows the income from the sale of financial investments, non-current assets and property complexes; income from non-operating exchange differences and other income that arises in the ordinary course of business but not related to the operating activities of the enterprise.

Based on the analysis of the structure LLC “Silpo-Food” by the incomes and expenses, we can conclude that company had chosen an extensive type of development and covered its expenses by selling non-current asset. It means that the profit has not grown from the core operating business activity of the enterprise and it is quite possible that such method of increasing net financial result is a temporary phenomenon and the core operating activity is still staying unprofitable.

To understand this phenomenon better it is necessary to calculate basic indicators of strategic financial strength during last 3 years of “Silpo-Food”.

Table 2.3

Indicators of strategic financial sustainability of LLC “Silpo-Food”*

Indicators	Years			Absolute deviation	
	2015	2016	2017	2016	2017
1. The coefficient of financial risk	-5,78	-4,76	-2,75	1,02	2,00
2. The coefficient of autonomy	-0,21	-0,27	-0,57	-0,06	-0,31
3. The coefficient of maneuverability of equity	2,74	2,06	1,00	-0,68	-1,06
4. Turnover of current assets, times	6,03	5,04	0,12	-0,99	-4,91
5. Period of turnover of current assets, days	9,96	11,92	493,64	1,96	481,73
6. Turnover of accounts receivable, times	14,67	7,25	0,13	-7,42	-7,12
7. Period of turnover of accounts receivable, days	24,54	49,65	2785,10	25,11	2735,45

End of the table 2.3

Indicators	Years			Absolute diviation	
	2015	2016	2017	2016	2017
8. Turnover of inventory, times	10,27	17,53	4,98	7,26	-12,55
9. Period of turnover of inventory, days	35,05	20,53	72,23	-14,52	51,69
10. Turnover of accounts payable, times	4,71	6,35	0,44	1,64	-5,91
11. Period of turnover payable, days	76,48	56,72	819,03	-19,76	762,31
12. Duration of operating cycle, days	59,59	70,18	2857,32	10,59	2787,14
13. Trust of the financial cycle, days	-16,89	13,46	2038,29	30,35	2024,83
14. Refundability of fixed assets (return on capital)	38,64	65,41	25,53	26,77	-39,88
15. Revenue of sales, %	1,09	-0,43	-12,81	-1,52	-12,38
16. Profitability of assets at net profit, %	-14,79	-3,76	2,55	11,04	6,30
17. Return on equity net profit, %	93,52	15,86	-8,65	-77,67	-24,50

**Note.* Calculated by the author based on enterprise reporting data (Appendix F).

Return on equity is calculated as a percentage of net profit for the year to the average annual value of equity. This indicator characterizes the percentage of return on equity and is a criterion for the effectiveness of investing the owners of funds in this enterprise. Return on equity falls very fast during current period from 93,52% to (-8,65%). Such a rapid decline shows a significant decrease in the efficiency of investing in the funds of the enterprise from 2015 to 2017 years.

The negative significance of the duration of the financial cycle in 2015 (-16,89 days) is an indication that an enterprise receives money from its clients before making payments to its creditors. In other words, it is not timely settled with creditors (primarily because of the lack of necessary amount of cash resources for it). The duration of the financial cycle, which was traced during 2016-2017 (table 2.3), arose due to a significant decrease in payables, while a slight increase in receivables. The duration of the financial cycle over 2016-2017 compared with 2015 for an incredible amount of 2038 days, respectively, indicates a tendency to increase the needs of the

company in cash in order to purchase working capital and a certain negative dynamics in their development. Thus, we can talk about signs of the inability of the internal capabilities of the enterprise to ensure their further development.

The general tendency to decrease the indicator of payback period is negative, since in this case the company's ability to finance its activities at the expense of creditors diminishes. However, a significant period of repayment of accounts payable (60 days or more) includes certain risks associated with the deterioration of business reputation, the use of penalties by the state, a decrease in labor productivity, etc. Therefore, the tendency to increase the period of repayment of accounts payable in 2017, when the average annual growth rate of this indicator reached 819 days in 2015, is considered negative in terms of increased risk for the development of these companies competitive advantages associated with the uniqueness of the product offer and the implementation of innovative changes aimed at product differentiation. Although in 2016 the figure is within the normal range - 56 days.

The growth of the return on assets in 2016 compared to 2015 (1,7 times) indicates an increase in the efficiency of the enterprise. Nevertheless, already in 2017, the return on capital was reduced by 2,56 times, and amounted to 25,53, which is also a rather high indicator.

The turnover of current assets during 2015-2017 has significantly decreased from 6,03 to 0,12 that shows inefficiency in the activity of the enterprise.

The rate of maneuverability of equity over the period of the study period tended to decrease from 2,74 in 2015 to 1,00 in 2017 year. Positive indexes mean the ability of its own financial resources to finance non-current assets and part of the current ones.

The result of general analysis of the enterprise' activity shows that activity was strong after loss in 2015-2016. The profit of the enterprise began to be received only in 2017 through the selling of non-current assets, but not through the main operating activities as it have to be. In such situation we can judge that if the strategic management is not properly being established, the enterprise can wait for the same fate of loss in the next years.

The activity of enterprise is a complex of interrelated economic processes that depend on numerous and diverse factors. Being closely interrelated these factors often affect differently the results of the enterprise's livelihoods: one - positively, others - negatively. The negative impact of some factors can reduce or even negate the positive influence of others.

The effectiveness of the organization as an integrated system is determined by two spheres [19]. The external environment is a source of production factors and information (resources). The characteristics of the internal environment determine the ability to convert these resources into products (appendix F).

Thus, the external environment is a set of variables interconnected with the 'enterprise system' that affect on its characteristics, but not directly managed by the managers of the enterprise. The internal environment is in fact the enterprise itself, i.e. strictly defined interconnection of components that directly affect the process of converting resource flows into product flows [18].

Consideration of an enterprise as a system in constant interrelation with the external environment leads to a classic division of factors into external and internal factors. This approach is not without merit the main advantage of which is simplicity and wide practical application: analysis of the external environment and internal forces and weaknesses of the organization is an important stage in the analysis of the enterprise's activities, as well as planning, especially strategic.

An important role in developing a strategy is played by the conditions of competition and the overall attractiveness of the industry. The strategy must be consistent with the nature and combination of competitive properties of the product with price, quality, performance characteristics, maintenance and guarantees. With increasing competition, the company must take measures to protect its positions; weakening one or more competitors creates an opportunity for offensive action.

The basis of the strategy is a profound analysis of existing trends, threats and opportunities in the external environment of the organization, a comprehensive forecast of its future state, primarily scientific and technological progress. It should allow formulating a set of alternative goals in different areas of the enterprise.

The most common tool for determining the macro-environment factors that can affect your company is PESTE analysis. It helps to identify and evaluate environmental factors in 5 categories: P — Political, E — Economical, S — Social-Culture, T — Technological and E - Environmental / Ecological factors (table 2.4).

Table 2.4

PESTE analysis of LLC “Silpo-Food”*

Factor	Analysis
Political	<ul style="list-style-type: none"> - An unstable political environment; - Military operations in the country. Impossibility of predicting changes in the political situation in the near future; - Increasing requirements from the state.
Economic	<ul style="list-style-type: none"> - Purchasing power of citizens has significantly decreased; - The level of inflation is growing; - The financial and currency situation of the country is unstable. - GDP per capita in 2017 is 2583 USD (to compare in 2014 it was 3095 USD) - Unemployment rate** is 9,4% in 2017.
Socio-Cultural	<ul style="list-style-type: none"> - The outflow of young specialists, giving arise the problem of aging personnel, who are struggling to master new technologies; - Relatively low wages in the industry; - Lack of highly qualified specialists; - Great turnover of staff, so there is no possibility to maintain staff consistency. - There is a positive trend in the desire of citizens to obtain higher education. - A healthy lifestyle is in fashion and already a much larger part of the population are trying to stick to it.
Technological	<ul style="list-style-type: none"> - Every year the production technologies are being improved, completely new technological processes are being introduced that contribute to the increase of labor productivity, the improvement of product quality, new high-performance equipment and tools and technological equipment
Ecological	<ul style="list-style-type: none"> - People tend to buy products from environmentally friendly raw materials. - Environmental pressure is increasing every year.

Notes: *Developed by the author using the sources [18; 21] and Appendix F.

**Unified measure of unemployment ‘OECD Main Economic Indicators’ shows the number of unemployed in percentage of the workforce (total number of employed people plus the unemployed). According to the definition of the International Labor Organization, "unemployed" are those who currently do not work, but are willing and able to work for wages and are actively looking for work [21].

Among the abovementioned factors that affect the sustainable development of an enterprise, innovation should be considered separately, and as the most important resource for the modern development of business. The general acceleration of scientific and technological progress, globalization and internationalization of the

market, increased competition is accompanied by a reduction in the duration of the competitive advantages and the need to divide the market into sectors and niches. As a result, innovation becomes the key to success, if not the only means of survival for the enterprise [16].

In other words, innovation means change, and change means development. In this context, development should be understood as a change for the better. Improving products and services, business processes allows you to create new values. Innovation is no longer a privilege of research units. It has become an important part of every stage of business processes. The introduction of the new becomes an integral feature of the organizational culture of the enterprise and is included in daily activities [16].

As a result of PESTE analysis almost all factors have negative influence on the activity of the enterprise - unstable political environment, crisis economic situation, the outflow of young specialists. All this factors lead to decreasing net financial result and increasing expenses. So the enterprise has to search any methods to influence on the situation and decrease the effect of external factors. To implement such task it is needed to analyze factors of internal force of the enterprise and be able to apply them correctly to reduce the impact of negative factors.

Now consider the impact of direct factors of external environment on the activity of LLC “Silpo-Food” and how the enterprise and these factors can interplay on each other (table 2.5).

The external and internal environments of the enterprise are closely interconnected: on the one hand, the company creates the internal environment under the influence and on the basis of the factors of the environment, on the other - the firm adapts to the external environment with the help of factors of the internal environment.

The internal environment of the enterprise is a set of factors that are created and controlled by the enterprise. Components of the internal environment of the enterprise directly affect its effectiveness: strategies, goals, objectives, structure, technology, personnel, and organizational culture.

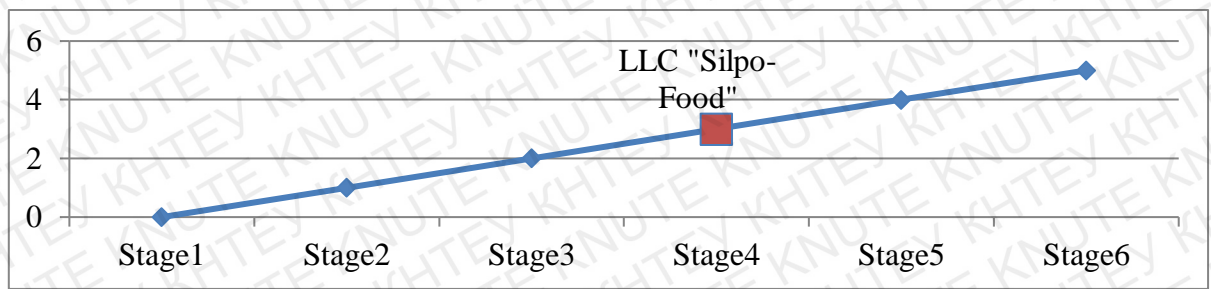
Table 2.5

The impact of external factors on the activity of “Silpo-Food” LLC*

Factor	How can factors impact on the enterprise?	How can “Silpo-Food” LLC influence on the factors of external environment?
Consumers	Organization is oriented in its activity on the meeting consumers’ needs, producing such goods and services which are in demand.	Organization can affect the formation of consumer demand and tastes through advertising, providing additional services, promotions and attractive offers, etc.
Suppliers	Suppliers provide the organization necessary income elements, such as resources. Herewith untimely deliveries, increase in resource prices, non-compliance or bad product quality reduces the effectiveness of the activity.	Organization can apply diversifying approach to protect itself from some risks and put its demands to suppliers.
Competitors	Competition inspires the organization to improve its goods and services with the aim to achieve the necessary level of competitiveness	Improving economical, technical, esthetical and other characteristics of goods significantly effects on the market position of competitors
Infrastructure	Covers financial institutions, transport links, communications, consulting services, etc. Affects the speed and quality of payments, transportation, obtaining the necessary information that defines the business relations of the organization.	Organization can be involved in the infrastructure development of the region, provide concrete proposals for the improvement of certain components.
System of economic relations	Forms conditions, rules and principles of the organizations’ activity. In market conditions the enterprise works by the laws of demand and supply, and competition.	If the conditions of the activity of enterprise in a separate economic system become intolerable, organizations can protest, require creation of other conditions for their activity.

*Note: Developed by the author using the sources [18; 16] and Appendix F, E.

In part 1 of this paper the author described the model of L. Greiner (appendix D, E) that allowsto define the stage of the development not of the organization as a whole, but its strategic and management system. According to this model one of the most important parameter of the enterprise’ development is the size of the organization. According to the conducted analysis of LLC “Silpo-Food” is on the fourth stage of its life cycle (fig. 2.2).



*Fig. 2.2. Stage of life cycle of LLC “Silpo-Food” by the model of L. Greiner**

**Note.* Revealed by the author using the Appendix E, F, D.

It means that most of all decisions are correlated with the overall mission of the company and with the overall goals of top managers; the risk of errors becomes minimal. But the emergence of new control points in a large company leads to the development of red tape. Procedures prevail over the decisions and objectives of the company. There arises a crisis of boundaries. The overall innovation in the company decreases, the flexibility and speed of decision making decreases significantly.

The results of analysis of the enterprise’ activity shows a great number of factors that influence on its strategic management system in a crisis. Among external factors the most significant are political, economic, technological, and demographical. The crucial factors of business environment of LLC “Silpo-Food” are competitors, suppliers, consumers and infrastructure. The most important of internal factors is the organization as itself, including its’strategies, goals, structure, technology, personnel, organizational culture, top andmiddle management, stage of life cycle, financial indicators, and flexibility as a whole.

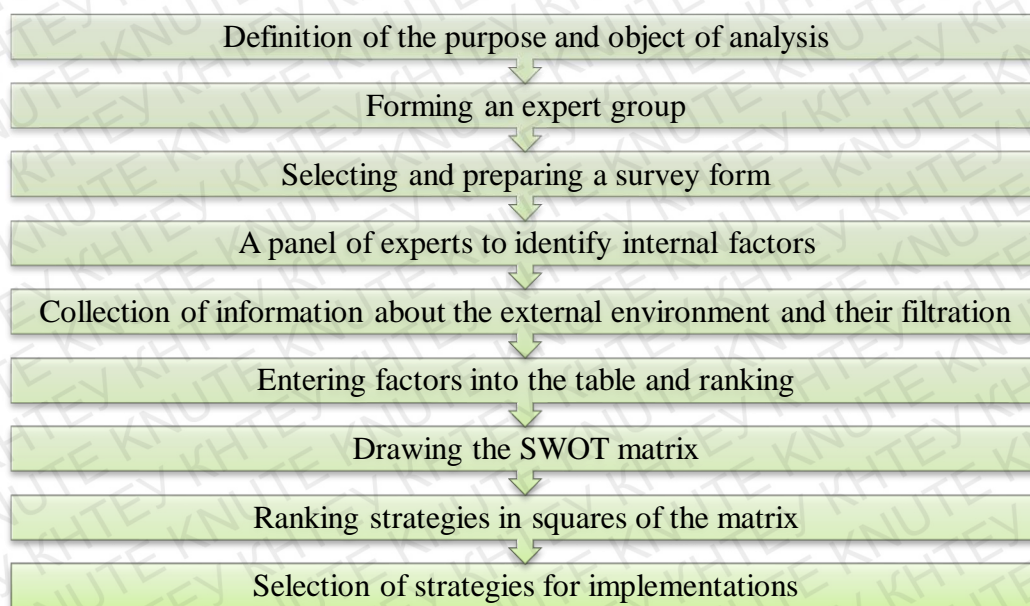
2.2. Assessment of the strengths and weaknesses of the enterprise’ strategic management system

In order to survive in the long runperiod, the enterprise must be able to predict the difficulties that may arise in its future path and new opportunities can be open for it. Therefore, strategic management, studying the environment, focuses on clarifying what opportunities and threats are concealed in the both external and internal environment. In order to successfully deal with both dangers and really use opportunities, there is not enough knowledge about them at all. One can know about danger, but not having the

opportunity to resist it and thereby suffer defeat. You can be aware of the opening of new opportunities, but have no potential for their use, and, therefore, do not use them.

The strengths and weaknesses of the LLC “Silpo-Food”, to the same extent as the threats and opportunities, determine the conditions for a successful existence of the organization. Therefore, strategic management in the analysis of both internal and external environment reveals exactly which strengths and weaknesses have separate components of organization and organization as a whole.

In order to assess the firm's internal environment, as well as external capabilities and threats, the SWOT method is the best tool that is used in strategic management (fig. 2.3).



*Fig. 2.3. The SWOT analysis algorithm**

*Note. Generalized by author using the sources: 23,29,36,39.

As a method of collecting primary information in the company, we chose a questionnaire, because, in our opinion, this method at the enterprise is the most optimal from the point of view of convenience - representatives of the department choose the time for filling it, with the possibility not to be distracted from their usual working schedule, rather than passing the interview.

In order to get an idea about the internal position of the firm, we will use closed and open questions in the questionnaire. In spite of the fact that open questions from the point of view of information processing are less convenient than closed questions,

they will allow us to obtain additional information and will be the main support in drawing up internal strengths and weaknesses.

The closed form is most convenient for the subsequent processing of the results of the questionnaire and will be used in cases where a clear and unambiguous answer to the question is needed. In addition, we will also use questions with the YES / NO options. Questions with a given scale of assessments in our case can also be used, especially in questions about corporate culture or about the relationship of managers with subordinates. At the same time, we will rely on the following recommendations for the preparation of questions: since the survey is conducted without oral conversation (without the possibility of explaining each question to the respondent), all questions should be specific, clear and unambiguous.

At the next step, a database is collected to determine the internal factors - strengths and weaknesses of the enterprise. The given step in our case will be carried out to the formed group of the experts working at the enterprise and representing the functional division as they have access to internal documents and reports. After all, during the survey it is important that the SWOT-analysis is based not on the guesses of managers, but on objective research results.

In the table 2.6. is described the enterprise profile, which enables to identify the strengths and weaknesses of the system of strategic management of LLC “Silpo-Food” and external factors that have a positive or negative impact on it. The index “Importance of the factor for the industry” shows the degree of importance of the investigated factor for the trading enterprise. Indicator “The direction of the impact of the factor” shows a positive (+1) or negative (-1) impact on the strategic system of LLC “Silpo-Food”. The Integral indicator is calculated according to the formula:

$$I_i = I_{fi} \times D_i \times I_{ie}, \quad (2.1)$$

where I_{fi} — Importance of the factor for the industry; D_i — Direction of influence of the factor; I_{ie} — Importance for investigated enterprise.

The Integral indicator shows the degree of influence of the factor to the strategic system on a scale from 1 to 9 points and its direction to the positive (+) or negative (-) side.

The profile is divided into three blocks: macroenvironment, business responses, and internal environment. Each of the blocks also has total index which summarizes all the points in the sections.

Table 2.6

Profile of the environment of LLC “Silpo-Food”*

№	Factors	Importance of the factor for the industry	Direction of influence of the factor	Importance for investigated enterprise	Integral indicator
1	MACROENVIRONMENT				
1.1.	The nature of the political struggle in the region	3	-1	2	-6
1.2.	Compliance of legislation with the needs of entrepreneurship	3	1	2	6
1.3.	Level of inflation	3	-1	3	-9
1.4.	Demographic environment in the region	3	-1	3	-9
1.5.	Cultural level of the population	1	1	1	1
1.6.	The level of industrial pollution in the region	2	1	2	4
1.7.	The level of Implementation in the economy of new technologies and equipment	3	1	3	9
1.8.	Presence and observance of educational standards and norms in the country	3	1	3	9
1.9.	Availability of natural resources	2	1	1	2
	TOTAL				7
2	BUSINESS RESPONSES				
2.1.	Intensity of competition	3	-1	3	-9
2.2.	Commitment of consumers	3	1	3	9
2.3.	Market power of suppliers	3	1	1	3
2.4.	Favorable placement	3	1	2	6
2.5.	Freedom / restriction of entrepreneurial activity	2	-1	2	-4
	TOTAL				5
3	INTERNAL ENVIRONMENT				
3.1.	Managerial knowledge and skills	3	1	3	9
3.2.	Competitor Monitoring System	2	-1	3	-6
3.4.	Financial opportunities	3	1	3	9
3.5.	Organizational structure of the management apparatus	2	1	2	4
3.6.	Level of qualification of company employees	2	-1	3	-6
	TOTAL				4

*Note. Developed by author using the sources: Appendix G, 35, 38

On the basis of the evaluation, we compile the SWOT matrix (fig.2.4).

		<ol style="list-style-type: none"> 1. The commitment of consumers (+9) 2. The level of introduction of new technologies and equipment into the economy (+9) 3. Presence and observance of educational standards and norms in the country (+9) 	<ol style="list-style-type: none"> 1. 1. Inflationdevelopment (-9) 2. 2. Demographic environment in the region (-9) 3. 3. Intensityofcompetition (-9)
		O	T
<ol style="list-style-type: none"> 1. Financial Opportunities (+9) 2. Managerial knowledge and skills (+9) 	S	<ol style="list-style-type: none"> 1.1 Improving the quality of service (81) 1.2 Professional training of the personnel (81) 2.1 Introduction to the work of cash desks of self-service (81) 2.2 Professional training of personnel (81) 3.1 Cosmetic repair of the trading room (81) 3.2 Professional training of personnel (81) 	<ol style="list-style-type: none"> 1.1 Holding shares and loyalty programs for consumers (81) 1.2 Professional training of personnel (81) 2.1 Professional training of personnel (81) 2.2 Professional training of personnel (81) 3.1 Improving the Competitor's Monitoring System (81) 3.2 Improvement of marketing policy (81)
<ol style="list-style-type: none"> 1. Competitor Monitoring System (-6) 2. Marketing knowledge and skills (-6) 3. Level of qualification of the employees (-6) 	W	<ol style="list-style-type: none"> 1.1 Improvement of marketing policy (54) 1.2 Improvement of marketing policy (54) 1.3 Professional training of personnel (54) 2.1 Improvement of the system of monitoring of competitors. (54) 2.2 Implementation of self-service cash registers (54) 2.3 Search for competent personnel, preferably qualified for work with new technologies (54) 3.1 Finding competent personnel, preferably qualified to work with new technologies (54) 3.2 Improving Marketing Policy (54) 3.3 Professional training of personnel (54) 	<ol style="list-style-type: none"> 1.1 Improving the Competitor's Monitoring System (54) 1.2 Improvement of marketing policy (54) 1.3 Finding competent personnel who are qualified to work with new technologies (54) 2.1 Professional training of personnel (54) 2.2 Improvement of marketing policy (54) 2.3 Professional training of personnel (54) 3.1 Improving the system of monitoring of competitors (54) 3.2 Improving Marketing Policy (54) 3.3 Professional training of personnel (54)

*Fig.2.4. SWOT analysis of the strategic system of LLC "Silpo-Food"**

*Note. Developed by author using the table 2.6 and Appendix F.

In the process of data analysis we identified that the largest overall negative impact on the enterprise activity bears the internal environment. The greatest damage is the level of qualification of the employees of the enterprise, marketing knowledge and skills and the system of monitoring of the competitor. Significantly reduces the effectiveness of the limited strengths of the enterprise, which leads to a disadvantageous competitive position, which also has a negative impact. However, LLC “Silpo-Food” has rather positive financial possibilities, hence there are ways to improve the situation. The system of monitoring of competitors is weak, marketing opportunities are not used - all this testifies to the low level of qualification of employees and the inappropriate attitude to the planning of enterprise activity, which causes losses.

Based on the conducted SWOT analysis the author determined strong and weak sides of strategic system LLC “Silpo-Food” (table 2.7).

Table 2.7

Strong and weak sides of the strategic management system LLC “Silpo-Food”

Strong sides of the strategic management system	Weak sides of the strategic management system
A large market share, supermarket is well-known leader;	Low staff competence;
High product quality, wide assortment;	Not a stable financial position;
The image of a trusted partner;	Limited capacity;
Strong position in specific market segments such as delicious-markets;	Rather weak team of managers;
Concentration on fast growing market segments;	Lack of financial resources, insufficient profitability;
Good image among consumers.	Lack of a well-defined strategy

*Note. Developed by author using the table 2.6 and Appendix F.

Managing weak signals is associated with early signs of possible events that eventually refer to and events require managers to make appropriate decisions. Inaction will lead the company to a loss of competitive advantage. It is very important identify the weaknesses on time in order to strengthen the strategic system of the enterprise and avoid crisis.

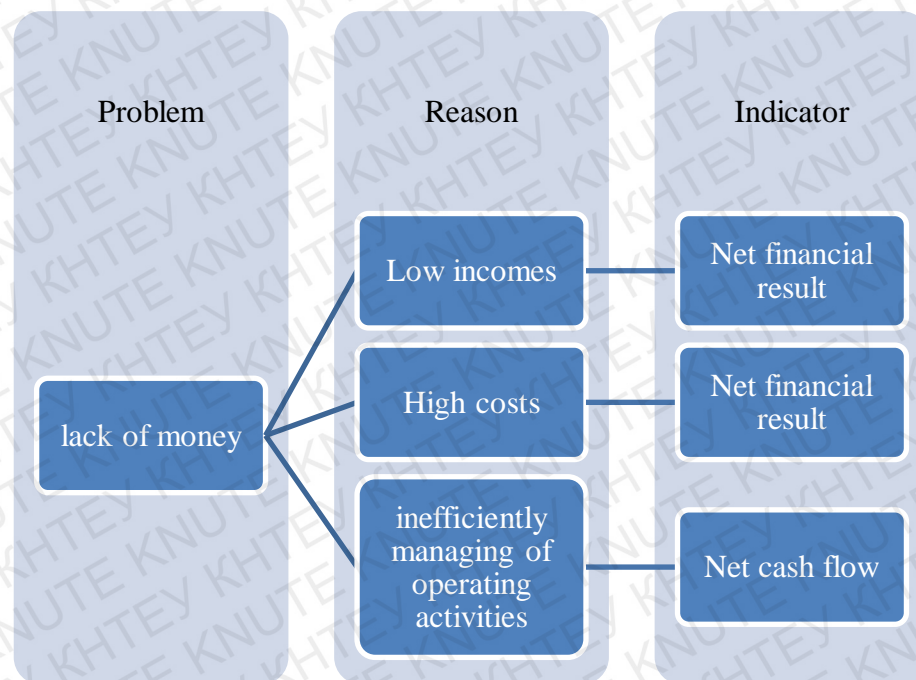
PART 3

IMPROVEMENT OF THE STRATEGIC MANAGEMENT SYSTEM OF “SILPO-FOOD” LLC

3.1. Developing measures to strengthening the enterprise' strategic management system in a crisis

General analysis of the enterprise' activity results shows that activity was strong at a loss in 2015-2016, the profit of the enterprise began to be received only in 2017 through the selling of non-current assets, but not through the main operating activities as it have to be. In such a situation we can judge that if the strategic management is not properly being established, the enterprise can wait for the same fate of loss in the next years. It is necessary to increase the efficiency of the core activity of the LLC “Silpo-Food” thanks to which the company will successfully survive.

The main manifestation of the crisis, from which the business suffers, is the lack of money. In fig. 3.1 is a diagram explaining the causes and manifestation of a lack of money.



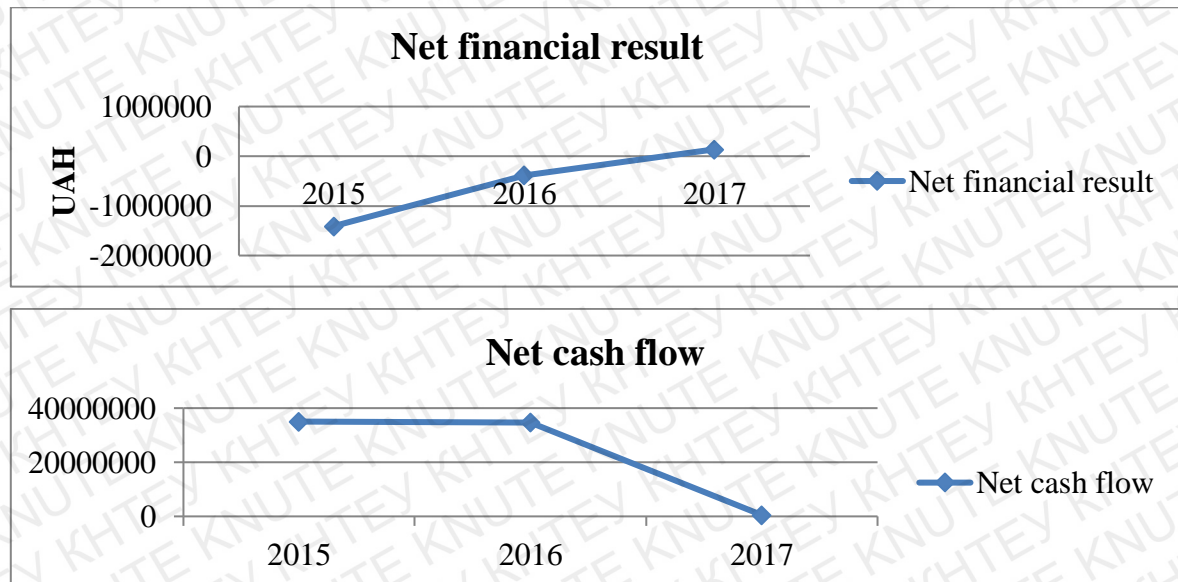
*Fig. 3.1. Indicators that can show the lack of money of LLC “Silpo”**

*Note. Developed by author based on enterprise reporting data (Appendix F).

So, base on the analysis of LLC “Silpo-Food”, there are only three main reasons of money lack:

- 1) the company does not manage to sell much,
- 2) too high level of the costs;
- 3) the company does not know how to manage working capital.

These three reasons in the standard, non-crisis, circumstances may not appear, but in a crisis it's have arisen because the management is not ready for rebuilding to work in new conditions. The worst situation arises when all these three causes are manifested at the same time. First of all managers should focus on the on profit or on cash flow, in order, to reduce the impact of the problem of shortage of money. As can be seen from the diagram (fig. 3.2.), net cash flow is the indicator that signal to management about the problem that has arisen. Profit is a necessary, but not sufficient, condition for receiving money. In other words, to ensure the ability of the company to generate money, you should make a profit.



*Fig. 3.2. Diagrams of Net financial result and Net cash flow of LLC “Silpo-Food” during 2015 – 2017 years**

*Note. Elaborated by the author based on enterprise reporting data (Appendix F).

In standard, non-crisis conditions, this condition is considered unshakable. But in a crisis it is necessary to generate money in any way, and do it quickly. What

happens during a crisis? Sales are falling. This is the root cause. Fix it quickly does not succeed - the markets are shrinking. Partial compensation for falling sales can occur due to lower costs. These companies are “able” to do the best. But it is not a fact that a decrease in costs will not lead to an even greater drop in sales, which in the end will lead to even greater losses.

During the crisis, the company needs time to rebuild its activities in response to crisis conditions: shrink, cut down some activities, optimize staff. The company will evolve in new ways after such restructuring, most likely in smaller volumes, but adequate to shrinking markets. During this restructuring, the company cannot develop without money. Therefore, money must be made or saved at any cost. Thus, from the two parameters of the circuit in fig. 3.1 more important is the indicator of the operating cash flow, and not profit, at least in the early stages of the crisis.

So, as we can see analyzing the balance sheet of LLC “Silpo-Food”, there was used method of short-term increasing money flow by the selling of non-current assets to out of crisis in 2016 year. Also there is a table as a result of SWOT analysis (table 3.1).

Table 3.1

Rating of measures to increase the efficiency of LLC “Silpo-Food”

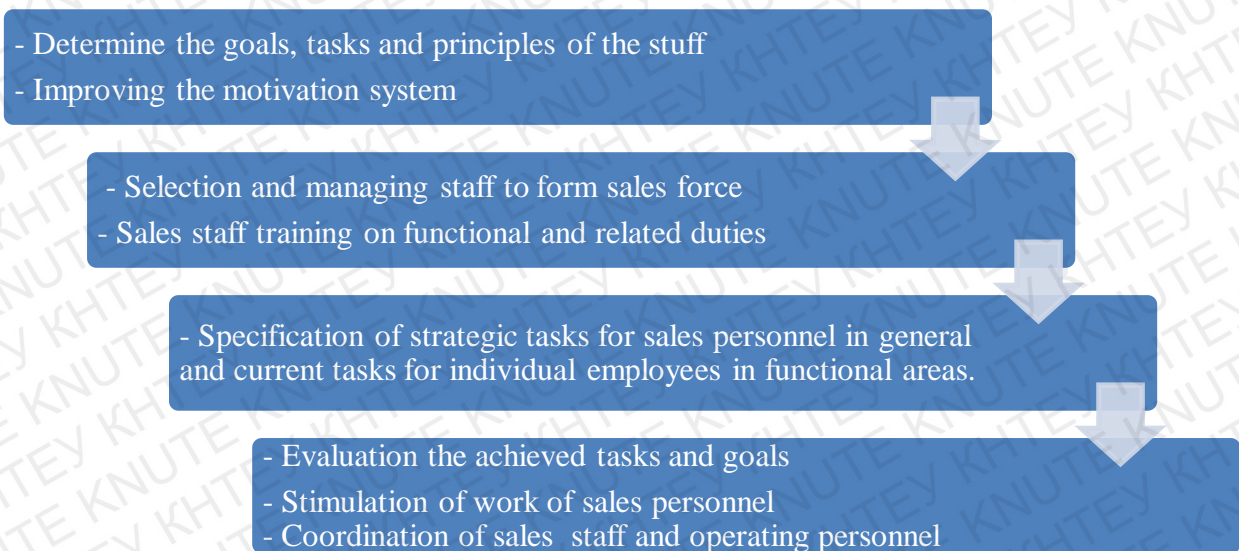
Number by rating	Event characteristic	Point
1	Professional training of personnel	837
2	Improvement of marketing policy	405
3	Improvement of the system of monitoring of competitors	243
4	Searching for competent personnel, preferably qualified for work with new technologies	162
5	Introduction into operation process cash desks of self-service	135
6	Improving the quality of service	81
7	Cosmetic repair of the supermarkets	81
8	Conducting promotions and loyalty programs for consumers	81

*Note. Developed by author. using the table 2.7.

Based on the results of the rating, the *first place* was taken from the professional training of the personnel, namely, the employees of the trading floor, cashiers and salesmen of the shelving trade. After all, it is the specialists who organize the sale of

goods, their calculation, that is, directly provide customer service. The culture of trading services is well-organized advertising, wide information for buyers about the properties, quality of goods, etc. Properly formed and implemented culture of retail services contributes to increasing trade turnover, the implementation of the plan of trade turnover, reducing the cost of circulation, increasing the amount of gross income, increase in profits of trading enterprises.

Effective HR management at an enterprise determines the degree, sequence and complexity of the system of internal corporate ties and relationships. Schematically, the system of management of sales personnel, regardless of the profile specialization of the enterprise is presented in fig.3.3.



*Fig.3.3. The system of management of sales personnel of LLC “Silpo-Food”**

*Note. Developed by author.

The second and third places have closely interrelated measures — improving marketing policy and improving the monitoring system of competitors. After all, competitive monitoring and analysis of activity are one of the main factors that allow company to succeed. The consequence of neglecting this approach is that top management is aware of its mistake only when there is a drop in sales, a sharp decline in income and profits. Often the reason for this is precisely the change in the

marketing strategy of competitors, their new approach to customers. The development of a program for monitoring competitors' activities on the market can include the following sections: offered by competitors services, price policy of competitors, main consumers of products, newcomers of competitors, outsourcing and additional conditions, the fate of competitors in the market and their change, marketing policy of competitors, the threat of the emergence of new competitors.

Thus, during the research of the activity and strategic management of LLC “Silpo-Food”, it was discovered that for the successful activity of the enterprise in the conditions of market relations, the question arises in the qualitative and effective planning of the activity. An enterprise develops a strategy for its behavior in the market, studies competitors, identifies its potential, and determines the impact of the internal and external environment. For analysis the SWOT matrix was selected and the rating of measures for improvement of activity of LLC “Silpo-Food” was made, namely, professional training of personnel, improvement of marketing policy, improvement of the system of monitoring of competitors, search of competent personnel, preferably qualified in work with new technologies, implementation in the work of self-service cash registers, the improvement of the quality of service, the cosmetic repair of the trading room and the conduct of promotions and loyalty programs for consumers.

On the basis of the analysis of rating measures of LLC “Silpo-Food” (table 3.1), there was developed a strategic plan for the enterprise for the next 2019 year (table 3.2).

It is necessary to describe all the proposed events. On the authors mind it is expedient to allocate a week for professional staff training. Top managers will act as a speakers and the invited headliner will be specialist of trade and teambuilding Dmitry Leonov.

It is considered three days trainings for linear, non-managerial staff, the program of which will be formed accordingly for the improvement of the specific skills, namely: effective placement of goods, optimization of placement processes, storage

of an attractive form of shelves with goods, placing itself on sale, communicating with buyers etc.

Table 3.2

Strategic plan of LLC “Silpo-Food” for the next 2019 year*

#	Event characteristic	Terms	Executor	Expected results	Costs
1	Conducting training for line personnel: store workers, cashier, sellers	To 15.01	Invited lecturer Dmitry Leonov	Growth of sales	48 thousand UAH
2	Conducting training for line managers:	To 20.05	Invited lecturer Dmitry Leonov	Improve employee motivation, increase sales	64 thousand UAH
3	An exchange program for managers of the stores between weak and strong supermarkets.	During all the year	Directors of stores	Improvement of qualification of the managerial staff of the enterprise, exchange of work experience, improvement the result of activity of the network in general, revealing and elimination of problems of low profitability of weak stores	free of charge
4	Implementation of the system of continuous monitoring of competitors Development of a program for improving competitiveness	Every 6 month To 30.05 To 30.12	Marketing department	Preservation of the position of the enterprise in the existing market Reducing the impact of price competition on sales. According to position of competitors and a market failure.	free of charge
5	Implementation of cash desks of self-service in 10 stores (depending on the flow of customers to distribute 50 devices)	To 30.06	Sales department	Increasing customer flow, reducing queues, improving customer loyalty.	10500 thousand UAH
	Total				10612 thousand UAH

*Note. Developed by author.

It is necessary to describe all the proposed events. On the authors mind it is expedient to allocate a week for professional staff training. Top managers will act as a speakers and the invited headliner will be specialist of trade and teambuilding Dmitry Leonov.

It is considered three days trainings for linear, non-managerial staff, the program of which will be formed accordingly for the improvement of the specific skills, namely: effective placement of goods, optimization of placement processes, storage of an attractive form of shelves with goods, placing itself on sale, communicating with buyers etc.

For the manager and HR specialists is considered three days of training with the program for correct motivation, the ability to coordinate, delegate authority and skillfully manage the work of the staff. One day of additional training is for the HR department with questions on the effective evaluation of the personnel, its selection and ensuring the constant growth of their skills and abilities, as well as reduced productivity and other topical issues. Calculating the total costs (formula 3.1).

$$TC = D \times (Fs + R + Cb), \quad (3.1)$$

where TC — total costs; D — duration of training; Fs — speaker's fee; R — costs on assembly hall rent; Cb — costs on coffee breaks.

Calculating the results:

$$TC = 7 \times (10 + 3 + 3) = 112 \text{ thousand UAH.}$$

Next step of plan is implementation the system of continuous monitoring of competitors. Such a system allows being in a trend, to monitor changes in the market, changes in goods and services, innovations, etc. As a consequence, do not allow competitors to exert their influence through this tool and keep the position of the company on the existing market. This task can be delegated to the marketing department for the analysis and development of the program with the further aim of the activities according to the position of competitors and the state of the market failure in 2019. This measure will improve competitiveness and reduce the impact of price competition on the sale.

There are two supermarkets equipped with self-service cash desks in Kiev. One store at Vinogradar equipped with five "robotized" cash registers. The second one is in the Gulliver, there is installed 8 devices.

The average market price of such a cash desk is 200 thousand UAH, our budget allows to implement 50 cash at 10 stores. The distribution of cash desks will take place depending on the store's retail space, the flow of customers, the number of checks to the store, and others. Taking into account the cost of installation of cash desks, cosmetic repair of places of accommodation, the amount of costs is about:

Costs = 50 devices * (200 thousand UAH + 10 thousand installation and repair area) = 10500 thousand UAH.

Expected results from the introduction of self-service cash desks:

1. Reduce the amount of Wage Fund.
2. Effective mechanism of reduction of queues, and accordingly, increase of loyalty of buyers.
3. Reduce the cost of administering the cash system.
4. Increase the flow of buyers.
5. Getting a convenient tool for sales analysts, middle checks, goods, peak hours, etc., as a consequence, it is better to get acquainted with the customers of the store, their tastes. On the basis of data it is possible to conduct a periodic analysis of the flow of customers to optimize the work of the store.

3.2. Predictive evaluation of the results of LLC “Silpo-Food” after the implementation of proposed measures

When the strategic plan for an enterprise is constructed, it is important to take into account the crises company may face during its implementation.

To deal with crisis you need to know exactly what are possible the risks. It is expedient to identify risks in several directions, only in such situation the analysis will be comprehensive. Such a table (table 3.3) is determine the cash risks, which can be carried out both for each risk individually and for different sets of risks. It is necessary to allocate only those risks which are the priority for their management. To do this, you need to build a risk map, which is a graphical and textual description of a limited number of organizational risks (table 3.3).

Table 3.3

Map of Risks of LLC “Silpo-Food”*

<i>Threats to the enterprise</i>	<i>Factors that determine the threat</i>
Losses from devaluation on receivables	Significant increase in the share of receivables (31,18%) in the total amount of current assets
Unprofitable turnover	A significant increase in the cost of turnover (table 2.1)
The impossibility of settling accounts with creditors in a timely manner	The own working capital has a negative significance (table 2.1), indicating the financial instability of the enterprise,
Rather high dependence on borrowed capital	Which is confirmed by the critical level of autonomy, which in 2017 made up (- 0,57%) and tends to decline.
Decrease in the level of mobility of own working capital	The maneuvering factor decreased throughout the investigated period from 2,74% in 2015 to 1,0% in 2017 (table 2.1)

*Note. Developed by author *using the table 2.7.*

Alsojudging by its analysis, the company is experiencing an internal staff crisis. If nothing is done, this condition can be greatly aggravated. Employees are those people who are united by common goals and ideas. For an enterprise to develop now is the time to invest in its team, create additional jobs, increase salaries, linking them to the results obtained. And also to motivate employees, to set goals for them and, most importantly, to train, train and once again train the people with whom they work.

The other thing is macroeconomic and called the exchange rate fluctuations. This is expressed not only in the need to frequently re-evaluate and technically change the price tags on goods. Devaluation of the national currency reduces network margins. A number of companies are trying to increase prices in accordance with how their suppliers are increasing. However, nobody increases the price by 100% - there will be no sales. Therefore, each of them forced to gives up their margin.

According to the L. Greiner model LLC “Silpo-Food” is on the fifth stage of development, namely ‘Gross through delegation’ (Fig.1.6). On this stage internal gross crisis takes place. To overcome crisis at this stage, the integration of the team is

necessary, and for this all members of the organization are inculcated with common values, goals and tasks are set, and to achieve them it is necessary to combine efforts. If at the previous stage the organization was managed mainly using formal systems and procedures, then at this stage special importance is attached to the creation of teams and the skillful use of interpersonal differences. Social control and self-discipline replace formal control. Headquarters, previously exercising control, begins to perform a consulting function.

In case of a prolonged financial crisis in an intensifying enterprise and chronic insolvency, the company may be declared bankrupt. Nowadays one of the most dangerous types of crisis phenomena is bankruptcy. Bankruptcy is the realization of catastrophic risks of an enterprise in the course of its economic activity, as a result of which it cannot satisfy in the established terms the requirements imposed on the part of creditors and fulfill obligations to the budget. As a tool searching for opportunities of bankruptcy the author used Models of bankruptcy by A.V. Kolyshkin (table 3.4).

Table 3.4

Models of bankruptcy by A.V. Kolyshkin in the scope of LLC “Silpo-Food”

Models	Formula	Well-off	Bankrupts	Uncertain	2015	2016	2017
I	$0,47 \cdot K1 + 0,14 \cdot K2 + 0,39 \cdot K3$	0.08 - 0.16	(-0.20) - (-0.08)	(-0.08) - 0.08	0,01	-0,13	-0,24
II	$0,61 \cdot K4 + 0,39 \cdot K5$	1.07-1.54	0.35-0.49	0.49-1.07	0,47	0,41	0,41
III	$0,49 \cdot K4 + 0,12 \cdot K2 + 0,19 \cdot K6 + 0,19 \cdot K3$	0.92-1.36	0.25-0.38	0.38-0.92	0,45	0,36	0,33

*Note. Developed by author *sources 53, Appendix B, H.*

It should be noted that the extensive type of development of an enterprise that LLC “Silpo-Food” chose often leads to negative consequences. Extensive development path does not provide high level of productivity, and hence the

efficiency of the enterprise economy as a whole. At the same time, the top management does not pay attention to the internal development of the enterprise, drawing sources of production from the outside. At the same time, permanent investments have to be made in expansion of business. Therefore, the most rational way of achieving economic progress is to change extensive growth on intensive one.

For the future assessment of the implementation proposed measures (Table 3.5), the action plan was consolidated in separate directions in the table (Table 3.6), which allow to determine the most demonstrative indicators of achievement of the goals.

Table 3.6

Evaluation of strategic directions of LLC “Silpo-Food”*

№	Strategic direction	Strategic objective	Indicator, unit of measure achievement	Target value of the indicator	Actual indicator value
1	Conducting training	Growth of sales (+15%)	Commodity turnover, thousand UAH	566107	492267
2	Implementation of the monitoring system of competitors	Preservation of the position of the enterprise on the existing market	Marketshare, %	22	20
3	The introduction of 50 cash desks of self-service in 10 stores	Increasing customer flow	Number of checks per day	2300-2800	1500- 2000

*Note. Developed by author using the table 3.3, table 3.5

Each of the proposed strategic directions affects the balance sheet of the company in a positive direction. Growth of sales leads to growth Net income from sales of products, if used correctly, and partially reduce debtor debt, respectively, and Losses from devaluation on receivables will decrease. Such situation will have a significant impact on such indicators as turnover of current assets, duration of operating and financial cycle.

And the most expensive direction from all proposed has to bring the greatest benefit to the enterprise by increasing the customer flow. After Implementation of the

monitoring system of competitors expected Market share increasing on 2% what means growing sales on 10% . That leads to increasing turnover and, respectively, net income. Such situation follows Commodity turnover increasing.

Therefore, postponing the results that are listed in the strategic plan, projected changes in the financial statements are reflected in the table 3.7.

Table 3.7

Forecast assessment of the results of strategic development

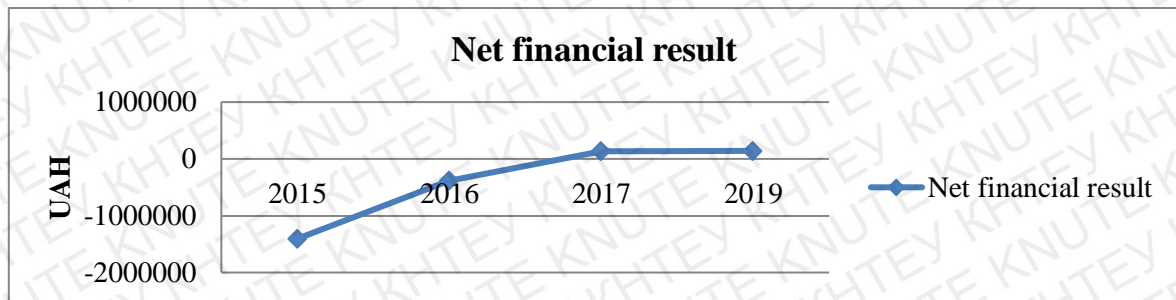
“Silpo-Food” LLC in 2019 *

Article	Line code	Previous period	2019	Growth rate, %
Net income from sales of goods (goods, works, services)	2000	492267,0	566107,1	15,0
Cost of sold products (goods, works, services)	2050	483992,0	532391,2	10,0
Gross profit	2090	8275,0	33715,9	24,5
Financial result of operating activities: loss	2195	(-63063,0)	(-25225,2)	60,0
Net financial result: profit	2350	138595,0	141505,5	2,1

*Note. Developed by author.

If the proposed system of strategy is implemented, it will enable the company by the end of 2019 to increase its net income from sales by 15.0%, gross profit by 24.5%, the financial result from operating activities by 60.0% and net financial result at 2.1%, provided that the cost price of the products will increase by 10.0% due to the increasing of turnover, while other incomes and expenses will have relatively stable rates. Even in conditions of fluctuations in external or internal environment and the onset of a crisis, the implementation of such a plan will not significantly affect the financial results of the enterprise and won't let the crises absorb its economic activity.

Graphically predicted changes can be pictured on fig. 3.1.



*Fig. 3.2. Diagram of Net financial result**

*Note. Elaborated on the basis of financial statements of LLC “Silpo-Food”(Annex D)

According to the table, we see that due to the application of the previously formed strategic plan of development of the company, its main performance indicators tend to increase despite crisis.

During the analysis we found out that in 2017, the crisis hit an enterprise and forced them to cover their debts and be able to continue their business by selling their own non-current assets. As already noted, such a type of development as extensive in most cases leads the company towards a decline, rather than development. If the situation does not change, then in the future, the company is likely to go bankrupt, especially under the current economic conditions in Ukraine.

The proposed strategic plan will allow the company to increase net income precisely because of the main activity of the enterprise - trading. And even with the onset of another crisis, the enterprise will be able to stay afloat with minimal losses.

CONCLUSIONS AND RECOMMENDATIONS

In the first part were reviewed the theoretical and methodological foundations of the enterprise' strategic management system. Revealed that the implementation of the strategy requires a systematic approach since only the system can provide the formation of stages and components of the strategy in all divisions of the enterprise.

Strategic system is a set of various strategies developed by the company for a certain period of time, which reflects the specifics of the operational type and development stage of the enterprise, as well as the level of its claim to place and role in the external environment.

In scientific and economic literature the essence of crisis management is considered as an enterprise management system that has an integrated, systemic and aimed at prevention of unfavorable business phenomena due to the use of all potential modern management, development and implementation at the enterprise special strategic programs, which allows to disarm the temporary ones difficulties, save and multiply market positions.

The development any system of strategies takes into account many factors: the nature of the enterprise, its structure, personnel potential, industry specifics, trends in the development of macroeconomic processes, the state of the legal framework governing the conditions of economic activity, etc. Researching this task scientist Kruglov N. in his work describes the most successful system of strategies as a combination of three groups: entrepreneurial, organizational and labor strategies.

The success of implementation of the crisis management strategy depends first of all on how the management of the enterprise can find out in time the occurrence of the initial event from which the movement to the crisis turning point begins. There are internal and external causes, because of which the enterprise 'falls into the crisis'

The evaluation and control of strategy implementation is a logical final stage in strategic planning. This process provides a steady feedback between the process of achieving goals and the goals of the firm itself.

The main tasks of control are:

- Identification indicators to check;
- Assessment of the condition of the controlled object in accordance with accepted standards, norms or other benchmarks;
- Determining the causes of deviations as a result of evaluation;
- Adjustment, if necessary and possible.

In general, the Strategic Control System contains five main elements (fig.1.4) establishing the indicators for assessing the implementation of the strategy; creation of a system for measuring and monitoring the state of control parameters; comparison of the real state of control parameters with their desired state; evaluating the result of the comparison and make an adjustment decision; carry out an adjustment.

In the part two were investigated the strategic management system of LLC “Silpo-Food”. Supermarket ‘Silpo’ is a self-service shop with the range up to 20,000 items of food and related products depending on the volume of the store's retail space. ‘Silpo’ chain of supermarkets is a structural unit of Fozzy Group and is the leader in its sales structure. Today the network has 234 supermarkets in 56 cities of Ukraine.

Analysing the balance sheet of LLC “Silpo-Food” we can conclude that gross profit decreased for the last 3 years from 6928829 thousand UAH to 8275 thousand UAH (the total sum is -6920554 thousand UAH). The same situation is with financial result from operating activities and net income from sales of products that decreased on 443353 thousand 34530310 thousand UAH accordingly. And despite the results of mostly constant reduction of financial indexes, net financial result increased from loss of (-1405909) thousand UAH to profitable result 138595 thousand UAH in 2017 year.

Analyzing the structure of net financial result of the LLC Silpo in terms of income and expenses for the last three years it is impossible to notice a significant difference between the structures 2015-2016 and 2017. The biggest share of income value in 2015 and 2016 compose net income from sales of goods – about 94-97%; in 2017 other income occupies the most significant share – over 72%. The same view is in

expenses value structure: in 2015-2016 years cost of sold products occupies the biggest share – over 74%; but in 2017 other expenses took about 73% of the overall value.

Based on the analysis of the structure LLC “Silpo-Food” by the incomes and expenses, we can conclude that company had chosen an extensive type of development and covered its expenses by selling non-current asset. It means that the profit has not grown from the core operating business activity of the enterprise and it is quite possible that such method of increasing net financial result is a temporary phenomenon and the core operating activity is still staying unprofitable.

To understand this phenomenon better it is necessary to calculate basic indicators of strategic financial strength for last 3 years of LLC ‘Silpo’.

Return on equity falls very fast during current period from 93.52% to (-8.65%). Such a rapid decline shows a significant decrease in the efficiency of investing in the funds of the enterprise from 2015 to 2017 years. The negative significance of the duration of the financial cycle in 2015 (-16.89 days). The duration of the financial cycle, which was traced during 2016-2017 (Table 2.3), arose due to a significant decrease in payables, while a slight increase in receivables. The duration of the financial cycle over 2016-2017 compared with 2015 for an incredible amount of 2038 days, respectively, indicates a tendency to increase the needs of the company in cash in order to purchase working capital and a certain negative dynamics in their development. Thus, we can talk about signs of the inability of the internal capabilities of the enterprise to ensure their further development.

The general tendency to decrease the indicator of payback period is negative, since in this case the company's ability to finance its activities at the expense of creditors diminishes. Increasing in the return on assets in 2016 compared to 2015, on 1.7 times indicates an increase in the efficiency of the enterprise. Nevertheless, already in 2017, the return on capital was reduced by 2.56 times, and amounted to 25.53, which is also a rather high indicator.

General analysis of the enterprise' activity results shows that activity was strong at a loss in 2015-2016, the profit of the enterprise began to be received only in

2017 through the selling of non-current assets, but not through the main operating activities as it have to be. In such a situation we can judge that if the strategic management is not properly being established, the enterprise can wait for the same fate of loss in the next years.

As a result of PESTE analysis almost all factors have negative influence on the activity of the enterprise - unstable political environment, crisis economic situation, the outflow of young specialists. All this factors lead to decreasing net financial result and increasing expenses. So the enterprise has to search any methods to influence on the situation and decrease the effect of external factors.

In the third part with the help of SWOT analysis were developed measures for strengthening the enterprise' strategic management system in a crisis, such as: professional training of personnel, improvement of marketing policy, improvement of the system of monitoring of competitors, searching for competent personnel, preferably qualified for work with new technologies, introduction into operation process cash desks of self-service, improving the quality of service. On this basis was developed strategic plan for the enterprise LLC "Silpo-Food" for the next 2019 year taking into account map of risks. Each of the proposed strategic directions affects the balance sheet of the company in a positive direction. Therefore, postponing the results that are listed in the strategic plan, projected changes in the financial statements are reflected in the table 3.3.

During the analysis we found out that in 2017, the crisis hit an enterprise and forced them to cover their debts and be able to continue their business by selling their own non-current assets. As already noted, such a type of development as extensive in most cases leads the company towards a decline, rather than development. If the situation does not change, then in the future, the company is likely to go bankrupt, especially under the current economic conditions in Ukraine.

The proposed strategic plan will allow the company to increase net income precisely because of the main activity of the enterprise - trading. And even with the onset of another crisis, the enterprise will be able to stay afloat with minimal losses.

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