Strategic management as a tool to ensure the competitiveness and effective operation in the future

La gestión estratégica como herramienta para garantizar la competitividad y la operación efectiva en el futuro

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ABSTRACT: The importance of strategic behavior has increased dramatically in the last decade. In the past, many firms were able to operate successfully, paying attention mainly on the daily work on the internal problems connected with increase of efficiency of use of resources in ongoing activities. Practice shows that those organizations that implement an integrated strategic and management and take it into account when formulating its management structure, operate more successfully and get profit much higher than the average for the industry.

Keywords: management, strategic management, competitiveness, performance.

RESUMEN: La importancia del comportamiento estratégico ha aumentado dramáticamente en la última década. En el pasado, muchas empresas podían operar con éxito, prestando atención principalmente al trabajo diario sobre los problemas internos relacionados con el aumento de la eficiencia del uso de los recursos en las actividades en curso. La práctica muestra que aquellas organizaciones que implementan una estrategia y gestión integrada y la toman en cuenta al formular su estructura de gestión, operan con más éxito y obtienen ganancias mucho más altas que el promedio de la industria.

Palabras clave: gestión, gestión estratégica, competitividad, rendimiento.

1. Introduction

The term “strategic management” was coined at the junction of 60-70s, in order to denote the difference between the current management level of production and operation, carried out at the highest level. The need for fixing such differences were due primarily to changes in the business environment.
The leading idea that reflects the essence of the transition from operational management to strategic, was the idea of the need to focus senior management on the environment, in order to appropriately and timely respond to changes taking place in it.

Moreover, in its development, both the theory and practice of strategic management has gone an intensive period of development (Karepova et al., 2015).

In the postwar years, the management of firms in almost every decade has undergone significant changes. Changed the conditions of doing business, and before companies were challenged in new ways to solve the issues of achieving the objectives, a new approach to the search of means of survival in the competitive struggle. And every time the concept of strategic management of the firm has acquired a special meaning, often diametrically opposed to who invested in it earlier.

Strategic management 50-60s is a long – term planning of production and market development. Around this time, long-term plans were in the spotlight in the formulation of the strategic behavior of the organization.

In the 70-ies significantly changed the meaning of strategic choice. This is not fixing production plans in the long term, and the choice about what business to be a decision about what to do with that business, which was successful, but it can lose its attractiveness due to changes in consumer priorities.

In the 80-ies of the dynamism of the external environment is so complicated the task of timely adaptation to the changes that occur in all spheres of public life, creation of potential changes to the company's ability properly to respond to the challenge of the environment became the centre of the strategic behavior of the firm (Novikov et al., 2016). First, strategic execution, and then strategic management finally brought an understanding of the strategic behavior of the company to such managing organization wherein the Foundation of strategic decisions becomes a choice on the firm behavior at the moment, which at the same time be regarded as the beginning of the future.

Thus, the decision defines the emerging circumstances, but at the same time, it implies that its performance should not only answer the challenge of the environment, but also to ensure the possibility of further successful response to changes that occur in the environment.

2. Literature review

We can point to several constructive definitions that have been proposed authoritatively by the developers of the theory of strategic management. Hatten and Schendel considered it – “as the process of identifying and (establishing) an organization relationship with its environment, consisting in the implementation of selected goals and trying to achieve the desired state of the relationship with the environment through the distribution of resources efficiently and effectively operate the organization and its units”. According to Higgens, “strategic management is a management process to implement the mission of the organization by managing the organization's interface with its environment”. Pearce and Robinson define strategic management “as a set of decisions and actions to formulate and execute strategies designed to achieve the organization's goals”.

There are a number of definitions that focus on certain aspects and characteristics of strategic management or how it differs from “normal” management.

But in order to give a detailed definition of strategic management, compare this management with a predominantly operational (let's call it a conventional control) primarily practiced in business over 20 years ago.

American scientist I. Ansoff: "Strategy is complex and potentially powerful tool with which the modern firm can withstand the changing circumstances". He identifies two main end products of strategic management: the capacity to achieve the goals of the organization in the future and the creation of a moveable structure, the control provides the sensitivity of the organization to changes in the external environment.

Feature of strategic management is that there is very little routine procedures and a lot of creativity, i.e. the very large role of art.
3. Materials and methods

Methodological basis of research are principles and methods of system analysis of objects, deduction, induction, comparison, classification, surveys, simulation techniques and statistical processing.

Crucial to the implementation of the process of cognition latent variables, such as strategy is the application of the method of abstraction. At the time Marx wrote: “the analysis of economic forms do not use any microscope or chemical reagents. Then another to replace the power of abstraction”. Abstraction should be complemented and accompanied by the generalization, i.e. the mind's transition from a single to the particular and the universal, from the accidental to the necessary, from external to internal, from phenomenon to essence. The method of abstraction, including isolating and generalizing abstraction, and generalization amounted to the methodological basis of the dissertation research.

The information base of the study was the accounting and statistical data of enterprises, the materials of the territorial bodies of the Federal service of state statistics, industry training materials, publications in periodicals.

4. Discussion

4.1. Strategic management and achievement of organizational goals through the optimal use of its internal variables

The organization is an open system, integrity, consisting of numerous interdependent parts, closely intertwined with the outside world.

Key variables in the organization that require management attention, – the so-called internal variables are objectives, structure, tasks, technology and people (Figure 1).

The successful functioning of the organization in modern conditions depends crucially also on forces, external in relation to it and acting in a global external environment. In today's complex world for the effective discharge of management functions need to know the effect of each of these external variables. There are factors of the direct and indirect impacts the enterprise from the outside.

![Figure 1](image)

Internal variables of the organization

Source: Prepared by the authors.

The factors of direct effects have a direct impact on the operations of the company and experiencing the direct impact of the enterprise’s operations. These factors include suppliers, human resources, laws and institutions of government regulation, consumers and competition. The indirect factors do not have a direct immediate impact on operations, but nevertheless affect them. Here we are talking about such factors as the state of the
economy, technological progress, social, cultural and political changes, the impact of the group's interests and essential for the organization of events in other countries and cross-cultural features of these countries.

The task of strategic management is achieving organizational goals through optimal use of its internal variables (existing capacity) taking into account environmental factors and the reduction of the capacity of the organization in accordance with the requirements of a changing environment to ensure the competitiveness and effective operation in the future. In this organization, and external environment are in a constant interdependence: the external environment affects the organization and Vice versa (Alekseev, 2009).

The capacity of the organization represents all its capabilities for the production of products and provision of services and covers both internal variables and enterprise-wide leadership and management potential.

Competitiveness is the ability of enterprises to resist other companies to make them successful struggle for markets of goods and services (Figure 2).

Strategy is a set of rules for decision-making, which the organization is guided in its activities. There are four groups of such rules:

the Rules used in the evaluation of the performance of the organization in the present and in the future. The qualitative side of evaluation criteria called a benchmark, and quantitative content of the job.

the Rules by which the relations of the organization with the external environment, and determining: what types of products and technologies it will develop, where and to whom to sell their products, how to achieve superiority over competitors. This set of rules is called product-market strategy or business strategy.

the Rules by which relationships are established and procedures within the organization. They are often referred to as organizational concept.

the Rules by which the organization conducts its daily activities. These rules are also called basic operational techniques (Analoui, 2005).

Strategic directions of development of foreign trade activities have certain distinguishing features:
Development of strategy completed not in any immediate action, but only to establish common directions, the promotion of which will ensure the growth and strengthening the organization's position in the international market.

Formulated strategy can be used to develop strategic projects by finding. The role of strategy in search is that, firstly, to help focus on specific areas and opportunities; second, to reject all other possibilities as incompatible with the strategy.

The need to implement the strategy disappears as soon as the real course of development pushes the organization to desirable events (Ansoff, 2002).

During the formulation of the strategy cannot foresee all the possibilities that opens in the preparation of project specific activities. Here it is often necessary to use highly generalized, incomplete and inaccurate information.

As in the search for open a specific alternative, and there is more accurate information that could call into question the validity of the initial strategic choice. Thus, a successful strategy is impossible without feedback.

For the selection of these projects apply to both the strategy and guidelines, so it may seem that it is the same, while the benchmark is a goal sought by the organization, and strategy – the means to achieve this goal. Benchmarks in higher level decision-making. The strategy is justified under one set of guidelines is not comprehensive, if the orientation of the organization will change.

Strategy and targets are interchangeable in certain moments and at various levels of the organization. Some performance parameters (e.g., market share) at one point serve as benchmarks, and the other act as the organization's strategy (Litvak, 2001). As the targets and strategies are developed within the organization, there is a typical hierarchy: what's on the top levels of management is part of the strategy on the bottom turns into the benchmarks (Vikhansky & Naumov, 2006).

Since 1926, under the strategic direction of implied resource management, when it was found that each doubling of production, costs per unit fall by 20%. On the basis of production calculations was derived the so-called experience curve, which, in turn, formed the basis of a number of models reduce costs of production per unit of output in mass production. One of them is matrix the Boston consulting group. According to this model, gain a large market share allows to rationalize the production through large-scale production and thereby reduce costs per unit of output, which in turn leads to increased competitiveness and profitability (Pronina, 1994).

This model was optimal until mid 70-ies, when the pressure of competition was lower than it is now.

The main organizational activities during and after the second world war was the management of large masses of people, capital and materials. Was improved system of logistics. Optimization problems, i.e. finding the most efficient ways to perform any work or placing any objects have been successfully solved using methods of operations research.

After the second world war, the whole world is experiencing a shortage of goods, and the high level of demand was perceived as a phenomenon taken for granted. In such a situation, a good study resource management was the main thing and the essence of the strategy was to select variants of growth (Volkogonova, 2004). In corporate strategic thinking of the period was dominated by the orientation on the so-called portfolio strategy. In many diversified corporations, consisting of companies in different industries, tasks of the top management were mostly confined to the selection of household objects that ought to invest.

Portfolio strategy in General terms was aimed at (Zub, 2002):

- acquisitions in new industries;
- strengthen existing divisions through acquisitions;
- gradual exit of unwanted branches;
- the sale of units which can be arranged in a more appropriate structure;
- the allocation of resources in the form of capital and costs;
creating confidence in the fact that the units are objects of strategic management;
advantage of the synergies between the existing portfolio companies.

As the need for effective competition has become more evident, the focus of strategic management shifted from the portfolio of the company. Problems of management of enterprises are of a completely different nature, and the strategy aimed at creation of competitive advantages that enables them to achieve their goals. This strategy is called a business (Kerimov, 2005).

Business strategy is to achieve long-term competitive advantages that will provide the organization with high profitability. It represents a General model of action needed to achieve goals through coordination and resource allocation.

4.2. Features of the strategy development process in organizations

The strategy development process includes:

- the definition of the organization's mission;
- concretization of the vision of the organization and setting goals;
- the formulation and implementation of strategy to achieve them.

The art of strategy formation is to the results of intellectual work embodied in concrete actions in the implementation phase plans would allow to achieve high efficiency.

Functional strategies required for the proper allocation of resources of the departments and services of the organization.

It is fundamentally important portfolio strategy is to allocate a number of business strategies, and then functional strategy, since the actual flow of resources usually occurs on a functional level. Basic management functions - development, production, marketing and administration. Perform each of these functions is entrusted to special departments: the Department of information, human resources, IT Department, etc.

Review of the strategy problems are often complicated because of the fact that a higher level of management is considered a means of achieving any purpose at relatively low levels acts as a goal. This phenomenon can be called a hierarchical structure of the strategy; this implies, for example, that if you set goals and strategies at the portfolio level as a whole, for companies in the portfolio, these strategies are presented. Enterprises, in turn, develop their strategies. Last for each of the services of an enterprise act as a set of goals.

Based on the current practice, with the development of a strategy usually followed by a phase of organizational development, in which measures to improve the situation in the organization, to increase its competitiveness and readiness for further development. Quite clearly there is a tendency for the separation of activities for the development of the strategy from the actual business activities. However, the business and activities of the strategist is essentially the same, the only difference is that the latter requires a broader outlook and vision than any other kind of business activities.

Thus, strategy is a detailed comprehensive integrated plan designed to ensure the implementation of the organization's mission and achieving its goals.

A few of the main points related to the strategy must be understood and, more importantly, accepted by senior management. First of all, the strategy most part is formulated and developed by senior management, but its implementation involves all levels of management.

The strategic plan should be based on fundamental research and actual data. To compete effectively in today's business world, enterprises must continually collect and analyze vast amounts of information about the industry, competition, etc.

The strategic plan gives the company certainty, individuality, allows it to attract certain types of workers. This plan opens prospect for the enterprise, guides the actions of its employees, attracts new employees and helps to promote their products on the market of goods and services (Mironenko & Terekhanov, 2006).

That's why strategic plans should be designed so that, while remaining coherent over long
periods of time, if necessary, it would be possible to modify or reorient. The overall strategic plan should be considered as a program directing the activities of the organization over an extended period of time, clearly understanding that conflict and constantly changing business and social environment involves constant adjustment of the program.

In the implementation of any activities of the organization or its division uses its resources, while under the influence of certain factors. Here it is customary to distinguish nine such factors, which are called elements of the strategy.

Taken together, these elements are excellent indicators of how organizations use and deploy its resources to achieve a particular purpose (Figure 3).

![Figure 3](image)

Nine key factors affecting the organization or its units in the process of using their resources

The management mission is the main purpose of the enterprise, a clear reason for its existence, on the basis of which the enterprise's goal tree is developed (Parakhina, 2005; Petrov, 2011).

The concept of the organizational mission reflects the existing market opportunity to meet a specific type of needs, delivering this type of product for this category of consumers in a competitive environment.

The organizational mission over time becomes obsolete, introducing and amplifying the uncertainty of decisions regarding the means of competition and the nature of the products. By the way the organization formulates its mission, one can judge how clear its strategy is. When in the old, used models of the mission tend to stagnate, the organization should resort to analyzing the needs that determine the actual market demand, to study the variability inherent in the structure of these needs (Rumyantseva, 2001).

Demand is constantly under the influence of various factors that are subject to change (Novikov & Perova, 2012). Such changes occur, for example, when competitors are developing a new type of product or technology. The needs underlying the demand tend to be constant, while demand varies depending on which goods appearing on the market more fully satisfy it (Schmittgoff, 1993).

Competitive advantages. The most important in developing a strategy is to answer the question: how to conduct a competitive struggle? The goal of the strategy can be expressed in achieving a level of satisfaction of needs that is greater than that which a competitor can achieve and thereby create such a provision for his organization that will provide her with a profit rate above the industry average.

The creation of competitive advantages is closely connected with the choice of sales markets
and the corresponding differentiation of products. In addition, competitive advantages can also affect the structure of investment. If a strategy is chosen to achieve the advantages associated with the low level of costs achieved by increasing the efficiency of production, then first of all it will affect the structure of production, investment and development projects related to the production economy (Thompson, 2010).

Culture and competence management are indicators of the strategy. You should always know how effective management especially as stimulated or punished enterprise. The level of claims the organization is usually determined by the administration, but it is desirable that it was approved by all leading performers.

The culture of the organization is characterized by its relation to a set of core values and the sum of:

- attitude to entrepreneurial risk;
- the adoption of entrepreneurial spirit, commitment to conducting business at a high level, orientation on independence;
- attitude to the problems of product quality and meet customers' needs;
- attitude towards people (customers and employees);
- attitude to work (successes and failures).

In General, the development strategy can be structured in the following way:

- the corporate strategy that are common to the entire company;
- business strategy – the activities of the organization;
- the functional strategy of development of separate aspects of activity of the organization: marketing, research, staff, etc.

By and large, one can identify three groups of activities of the company: operational, tactical and strategic. The latter are among the most complex and little-structured methodology. However, largely depends on not only equity, success and survival of any enterprise (especially considering the increasing international competition).

First, the strategic directions can be classified from the standpoint of implementing enterprise strategies: some of them are made before and others after the decision on choosing a specific strategy of action. It is important to both.

Let us turn next to the strategic directions of the activities listed previously. We are talking about the process of strategy development. Areas of activity are the following:

An evaluation of the strategic position of the company, subject to the availability of external and internal factors of foreign economic activities.

4.3. Justification of conclusions about how these factors impact and affect strategy. Identification and assessment of strategic alternatives

Create a strategy that fits in with the overall situation on the market of goods and services. All activities can be arranged only through a qualitative SWOT analysis. It should also be borne in mind that the process of developing the strategy begins with setting goals of enterprise on the part of its leaders.

All program actions must be clearly articulated and reflect a number of characteristics. First of all: responsible departments, scope of work, deadlines, methods of interaction, and personal responsibility.

Second, the strategic direction can be classified in accordance with the “basic square strategy” reflecting its primary components: circumstances, people, resources, time.

The first component is determined by the presence of competitors (it is important to identify their priorities).

The second and third components are defined by the internal strategy of the enterprise. The fourth component, we believe, be tied to:
• innovation activities (in the field of new technologies, management practices, economic thinking);
• the activities of senior management (or persons in developing the strategy, key specialists of the enterprise, sense of “air” time). This guide may be replaced, if necessary, the owners of the business.

If you try a word to Express the essence of strategic management, we can say that strategy is the art to control the timing in all its aspects.

This is no accident: time is explicit or implicit in all the key strategic principles, decisions and programs. All of this has direct relevance to top management activities and innovation activities related to innovation processes occurring at the enterprise (Trenev, 2002; Utkin, 2007).

Table 1 shows the functional matrix of distribution of responsibility between participants of investment process. The legend is the following: MR – main responsibility of ADS – adoption of design solutions, P – participation.

In Table 1 the named executives and services, participating in strategic directions from senior management. It services: marketing, Finance, production, research and development. In addition, as discussed above under “base square strategy” you must specify one primary component, namely, the behavior of consumers (in the narrow sense, marketing).

It is this component largely characterizes the strategic direction of the company

<table>
<thead>
<tr>
<th>Stages of the process</th>
<th>Name of managers and services</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Senior management</td>
</tr>
<tr>
<td>Development goals</td>
<td>MR</td>
</tr>
<tr>
<td>The generation of ideas</td>
<td>MR</td>
</tr>
<tr>
<td>Accounting ideas</td>
<td>P</td>
</tr>
<tr>
<td>Concept development</td>
<td>MR</td>
</tr>
<tr>
<td>Evaluation of concepts</td>
<td>P</td>
</tr>
<tr>
<td>Strategy development</td>
<td>P</td>
</tr>
<tr>
<td>The evaluation process</td>
<td>P</td>
</tr>
<tr>
<td>Introduction to the market</td>
<td>MR</td>
</tr>
</tbody>
</table>

Source: Prepared by the authors.

And then it can be conducted on the following “basic geometry the strategic direction” of the enterprise (Figure 4).

Third, to classify the strategic direction of the enterprise according to the criteria of their choice (Table 2).

The most important of them include: compliance with environment, competitive advantage, efficiency. Meet these criteria and principles (the most common approaches and rules used in the process of developing strategies and managing their implementation in practice).
Fourth, the strategic areas of action can be classified in terms of their recurrence (often repeated and not often repeated). To include the following “strategic actions” through active investment in R&D (research and experimental work), prediction of changes in the external environment, the pursuit of partnership, the desire for a flexible organizational culture, maintaining the image of their products and services.

**Figure 4**

Basic geometry the strategic direction of the enterprise

Fifth, the strategic directions can be classified according to the degree of binding to a specific period of time. The activity can be focused on, say, a ten-year period. But it can be tied to a certain event which should occur in the future.

Sixth, the classification of strategic activities can be done in the matter, she refers to the major or minor.

To the main include: the behavior, innovation, the circumstances, and to the support – people, resources, leadership. For some enterprises support activities are of greater importance than the core.

**Table 2**

Compliance of principles and criteria for the selection of strategies.

<table>
<thead>
<tr>
<th>Principles</th>
<th>Compliance environment</th>
<th>Competitive advantage</th>
<th>Efficiency</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Constant change</td>
<td>+</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. The matching of benefits and costs</td>
<td></td>
<td>+</td>
<td>+</td>
</tr>
<tr>
<td>3. Disguise and hoax</td>
<td></td>
<td>+</td>
<td></td>
</tr>
<tr>
<td>4. Initiatives of the enterprise</td>
<td>+</td>
<td>+</td>
<td></td>
</tr>
<tr>
<td>5. Focus</td>
<td>+</td>
<td>+</td>
<td></td>
</tr>
<tr>
<td>6. The balance of risks</td>
<td>+</td>
<td>+</td>
<td></td>
</tr>
</tbody>
</table>
This is the classification of strategic directions of activity of joint-stock company. Depending on its results are accepted by various management decisions: leave the market, enter new market, investment in the framework of the existing organization and the market, to expand its manufacturing and commercial activities, to maintain the status quo, etc.

5. Conclusions

In conclusion, let us formulate the main conclusions of the work.

Strategic management for the Russian economy – a new, unfamiliar direction. The need for it arose in the course taken by the country's economic and political reforms, which resulted in the transition from a planned economy with centralized strategic management of entire industries to a market economy in which organizations and enterprises of different ownership forms received the full economic independence.

The current contents of strategic management are beginning to emerge in the space of reflection of the most successful in the postwar period management technologies, as a response to the challenge formulated in the concept of sustainable managed development.

Strategic management is the management of the organization, which relies on human potential as the basis of the organization, directs production activities to customers’ requests flexibly responds and conducts timely changes in the organization, answering the call of the environment and allowing to achieve competitive advantages, which together enables an organization to survive in the long term, while achieving their goals.

Strategic management is designed to expand the horizons of foresight, to strengthen hyperopia and thereby create the possibility of timely reaction of the organization to the changes that occur in its external environment: markets products and technologies in scientific, technical, economic, social and political spheres.

Strategic management, at every moment of the records that the organization must do in the present to achieve goals in the future, based on the fact that the environment will change and the conditions of life of the organization will change, too. When strategic management is like a view from the future to the present, defined and implemented the organization's actions in the present, providing her a certain future, and not produced a plan or a description of what the organization should do in the future.

Strategic management is intended to ensure the firm's survival in the long run, the main is the formation of competitive advantages. For this there are three possibilities: the use of price characteristics of a product or its differentiation, and also due to the consolidation of the buyer or, in other words, due to the monopolization of the market.

Strategic management can be considered as a dynamic totality of five interrelated management processes: the environment analysis; strategy selection; strategy implementation; evaluation and control of strategy implementation. These processes are logically follow (or follow) one another. However, there is a strong feedback and, accordingly, reverse the effect of each process on the others and on the whole set of them.

Principles of managerial structures again proves the need for the full use of technology development, adoption and implementation of managerial decisions when making strategic decisions in the organization. Thus, the weapons should be taken in the first place the technologies and techniques that make the process of strategic decision-making more flexible, more fully and take adequate account of the real situation in which you have to operate your organization and be sure to view the used control structure.

It is important to emphasize that the experimentation with the development and introduction of new strategic governance structures for implementation has been a hallmark of the last decade of the XX century in the course of these experiments often use various combinations of known types of structures, organizations adaptable to the specific conditions of their operation. But the main trend is that each successive structure becomes more simple and flexible than earlier.


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