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FEATURES OF THE FORMATION AND IMPLEMENTATION OF A DYNAMIC COMPETITIVE STRATEGY OF THE BAKERY INDUSTRY ENTERPRISES

The article is devoted to the problems of the formation and implementation of dynamic competitive strategies of bakery industry enterprises. Because of the constant competition in the local market and the reconciliation of bakery enterprises endeavors into the world economy, in the act of administration, the need to take care of vital issues is additionally arising. In its turn, there is a need to consider methodological ways to deal with the procedure of arrangement and execution of a dynamic aggressive methodology for the unfaltering improvement of bakery industry undertakings. Thus, the article proves that the successful execution of a dynamic competitive strategy depends on change management from the future to the present. One of the imperative components for the successful usage of a dynamic competitive strategy is a vital arrangement that characterizes the primary assignments, steps and assets expected to accomplish vital objectives, which have been distinguished by official terms. Thinking about this, one can infer that the procedure of improvement and execution of a dynamic aggressive methodology is important for the bakery industry enterprises. In the states of change forms, deficiency of monetary, regulatory and various different changes, the inquiry on the improvement and execution of a dynamic competitive strategy as a viable instrument for business management with a specific significance and requires additional investigation.

Keywords: bakery industry, dynamic competitive strategy, strategy, strategic management, strategy formation, strategy implementation.

Problem statement. In modern conditions, the role and importance of the study of the methodology of the formation and evaluation of a dynamic competitive strategy of bakery enterprises is increasing.

A leading role in shaping the strategic planning methodology is played by a system of methodological principles that defines qualitative parameters of strategic planning, as well as substantiates new scientific approaches and methods used in the development of a dynamic competitive strategy. Today there is no single unambiguous approach to the definition of the methodology of the formation and evaluation of the effectiveness of dynamic competitive strategies of the bakery industry. Scientists express different views on the subject, methods and objectives of methodological research. The urgency of the topic of the development of a dynamic competitive strategy in the bakery industry has been also steadily increasing. Despite the fact that there are a lot of studies on the development of a business strategy, there is no single definition of the development process for the very dynamic strategy in the bakery industry. As a result, we are faced with the presence of a large number of conceptual foundations for identification and implementation of a dynamic competitive strategy for bakery enterprises.

Due to the constantly growing competition in the domestic market and the integration of bakery enterprises into the world economy, in the practice of management, the need to solve strategic problems is also growing. In its turn, there is a need to study methodological approaches to the process of formation and implementation of a dynamic competitive strategy for the steady development of bakery industry enterprises.

Like other industrial enterprises, bakery enterprises in the process of their development are in constant interaction with other economic entities, they build relationships with other market

players: competitors, consumers, suppliers, the state, etc. Each form of relationship between the elements of bakery enterprises and the elements of their environment is a strategic problem, which requires the study of an adequate theory for its solution.

Analysis of the last researches and publications. According to scientists who for the first time began to study the process of formation and implementation of the dynamic competitive strategies, such as C. Andrews, the strategy is a rational decision-making, because of which the resources of the company are offset by the opportunities offered by the conditions of competition. It is necessary to take into account the view of G. Aldrich, who believed that the external environment has a significant impact on the process of formation of enterprise strategy¹.

Despite all the differences in the views, all the concepts combine one common goal – optimization of the enterprise in relation to other enterprises in the same competitive environment. However, it is becoming harder and harder to achieve this, given the fact that the level of competition in different competitive environments continues to grow. There is also growing awareness that in a highly dynamic competitive environment, the traditional approach to strategy development often does not produce the desired results, and industrial enterprises must focus on more dynamic concepts, since the basic conditions change earlier than the formulated strategies reach the full implementation. However it remains unclear how to achieve a dynamic approach to strategy development and execution.

Many domestic and foreign scholars, such as I. Ansoff, A. Aker, R. Acoff, R. Brandenburg, J. Galbraith, P. Drucker, B. Carlof, W. King, D. Cleland, J., B. Kwynn, H. Mintzberg, G. Steiner, D. Hassi, N. Fedorov were involved in the process of research of competitive strategies. Among domestic scientists, V. Gorbulin, N. Nyzhnik, O. Mashkov, Y. Sharov, V. Vikhansky, V. Tertychko, O. Trukhan and others made a great contribution to the research of the development of the strategic process. The works of these scholars also highlight the issues of determination of the main components of a competitive strategy for enterprise development, the choice of the type of strategy and methods that help to implement developed competitive strategies and achieve a positive result from their execution.

The aim of the article. The purpose of the article is to carry out an analysis of the strategic process in the context of the formation of dynamic competitive strategies of bakery enterprises in the conditions of rapid changes of market conditions.

Basic results of the research. In the scientific literature devoted to questions of strategy and strategic process, there are still many definitions of "strategy". A well-known researcher H. Mintzberg proposed a model of the 5 "P", according to which the strategy itself is a combination of five elements²:

1. The strategy is a plan of action.
2. Strategy – a trick, that is, actions aimed at outrunning company's opponents.
3. Strategy – the order of action, that is, even if the plan remains unfulfilled, detailed procedures should exist in any case.
4. Strategy – the position in the environment, that is, the connection with their environment.
5. Strategy – the perspective, that is, the vision and perception of the state that the enterprise seeks to achieve.

R. Rumelt defines the essence of the strategy in the following way³: a strategy is a combination of specific analytical measures in a specific sequence, concepts, techniques, arguments, and actions whose purpose is to find a solution to a problem that will seriously affect the strategic situation and adapt it.

¹ Larry E., Greiner (2009). *Dynamic Strategy-Making A Real-Time Approach for the 21st Century Leader*. Jossey-Bass. USA, 228.

² Mintzberg, H. (1987). The Strategy Concept I: Five Ps For Strategy. *Management Review*, 1, 11-24.

³ Rumelt, R. (2011), Good strategy, Bad strategy. *Crown business*, 448.

The variety of definitions of the strategy is explained by the fact that there are several aspects of understanding the essence of this phenomenon of management. For instance, one aspect is a process and method, but one can not forget about content, scale, embodiment, philosophy, time frame and ownership. This explains the existence of such a large number of concepts of strategy development and implementation. These concepts are independent and do not include each other. In the work of the American scientist A. Chandler, "Strategy and Structure", the strategy is defined as "the definition of the company's main goals and objectives, as well as the direction of activity and the allocation of resources in the best way to achieve the objectives"¹.

None of the modern definitions of the strategy includes a term of the strategic process and its role in shaping of the company's strategy. There are many views on the essence of the strategic process. Many domestic and foreign scientists equate the strategic process with other business processes of the enterprise. There are views according to which the process of formation and development of a strategy is identified with models of managerial influences that are based on the system of strategic policies and procedures of the enterprise, which form the basis for the implementation of the strategic management and development process. It should be noted that the existing views and definitions are largely generalizing and do not highlight specific elements of the strategic process, creating which an enterprise has the ability to control and manage the strategy.

Unfortunately, none of the individual processes of strategic management or strategic capabilities will provide a stable competitive advantage for the bakery industry today. Enterprises are increasingly forced to adjust their activities adaptively to the requirements of the environment, constantly changing their strategy and tactical focuses. Recent research has proven that the company achieves the best results if it is not limited to a particular strategic opportunity or process, but uses several of them at the same time. Consequently, businesses should shift their focus from analyzing the internal success factors to the search and identification of the key elements of success in adaptation to change and uncertainty.

H. Mintzberg argues that the role of the strategy lies in the transition from strategy planning to the formation of new knowledge, and that strategic planning must go into strategic thinking². I. Ansoff, from his side, emphasizes that the classical understanding of strategic planning should be replaced by a more dynamic understanding that focuses on strategic objectives³.

Consequently, the development of a dynamic competitive strategy can no longer be separated from its implementation due to the speed of environmental change, since existing business opportunities may disappear before the enterprise finishes analyzing the external environment and developing a strategy. Therefore, the company needs to develop and implement a dynamic competitive strategy that will not limit its capabilities and allow timely response to environmental changes.

In order to ensure a dynamic approach to the formulation and implementation of the strategy, an enterprise must create an internal environment that on the one hand – combines a high degree of stability and, on the other hand, should be flexible enough to successfully exploit the available opportunities. The efficiency with which strategic changes can be implemented depends on the speed of the strategy formulation and the degree of support for the strategy and activities of the enterprise.

So, the degree of dynamism of the nature of the strategic process is directly proportional to the degree of effective use of changes in the market by an enterprise.

For the rapid implementation of a dynamic competitive strategy, the strategic process must include the necessary combination of vertical, horizontal, and cross-check processes to ensure that

¹ Chandler, A. (1998). *Strategy and Structure: Chapters in the History of the American Industrial Enterprise*. MIT Press. 2, 280-297.

² Mintzberg, H. (2013). *The Fall and Rise of Strategic Planning*. Free press, 464.

³ Ансофф, И. (2009). *Стратегическое управление*. Путеп, 519.

common actions and strategies are correct. Effective achievement of the dynamic strategy of the enterprise is possible only in the presence of an effective strategic process, which creates a strategic breakthrough for the enterprise. We need to perceive the strategic process as iterative, and not as a linear one. Only after the fulfillment of these conditions, the company will be able to develop the opportunities and execute the necessary actions, with the goal of consistent convergence with the agreed strategic direction, which will allow achieving the strategic objectives of the enterprise¹.

Thus, the main goal of the strategic process is to create a strategic breakthrough for the enterprise, which will help it to achieve extraordinary results, by identification of the most attractive areas of activity and formation of the basis of competition, which in the complex will provide the company with a long-term and stable competitive advantage.

We have developed a structure of the strategic process for bakery enterprises. It consists of eleven stages.

At the stage of strategic assessment, the company needs to solve the question "Where are we and what do we want to achieve?". The purpose of the first step is to get a high level of review of the current state, identify critical issues and potential causes. This will ensure the formation of a common basis for future discussions and will form the context for a strategic breakthrough of the enterprise.

To be as comprehensive as possible, the strategic assessment stage has internal and external focus. Internal interviews are conducted with the board of directors and key executives of the enterprise. External interviews are conducted with a sample of clients, including – with lost prospective clients, representatives of competitors and analysts².

The evaluation process should determine the critical success factors (hereinafter – CSFs) of the industry. CSFs arise from the dynamics of the bakery industry, which occurs under the influence of market conditions. They represent a changing industry and environment that are critical to the success of any enterprise operating in the bakery sector. These variables depend largely on the industry and do not depend on the enterprise.

The development of a strategic vision includes the development of goals, the definition of core values and principles, the establishment of a specific mission and strategic goals to be achieved within two or three years. All this should be embodied in a vision that is convincing and attractive to the enterprise.

The bakery enterprise should focus on creation of a strategic breakthrough. To achieve this, you need to ask a few questions: How do you think about a creation of a strategic breakthrough? How do you feel about the past, and about the goals you do not know how to achieve, but you are obliged to adhere to them? How do you overcome fear before letting go of what you perfectly know how to do and start doing what you have never done?

The achievement of a strategic breakthrough requires the creation of a future from the future. This requires the team to let go of the past and enter the future without focusing on the past experience. This process should allow the team to develop strong relationships and trust with each other³.

The first principle of the strategic breakthrough creation is to continuously and unequivocally observe vision and breakthroughs before starting to plan. In essence, to create a breakthrough, an enterprise deliberately creates a breakdown, in order to achieve a result that it still does not know how to achieve. In order to create this, the team must remain in a state of opportunity search until they invent the structure which allows them to achieve a breakthrough.

¹ La Piana, D. (2005). *Play to win: The nonprofit guide to competitive strategy*. John Wiley & Sons, 213.

² North, K. (2016). *Competitive Strategies for Small and Medium Enterprises*. Springer, 281.

³ Curtis, M. (2006). *Strategy as Action Competitive Dynamics and Competitive Advantage*. Oxford University Press, 278.

The stage of strategic segmentation involves an external process that defines market segments that should be managed differently. The purpose of this step in the process is to separate the future environment into separate segments. Each segment will have different growth prospects, profitability and risk, and each segment needs different success factors in order to maintain a success in this segment.

Strategic segmentation has five dimensions to clearly identify these segments. It starts with identification of various issues that may exist in the future environment, regardless of the current proposal. A properly structured goal and mission will help determine the boundaries of this future environment.

The purpose of the stage of strategic diagnostics is to find the answer to the question "Does the enterprise have a consistency between the uncertainty of the external environment and the capabilities of the management team?". If the answer is negative, then the company needs to understand the boundaries of the existing gap in the competences, and develop a clear action plan for leveling the gap.

In order to choose a competitive position, the bakery enterprise must determine the competitive dynamic strategy that it will use to create a strategic breakthrough. The basic elements of this stage are the issues of competitive positioning and competitive position of the company in the market. The main task of this step is to achieve a clear understanding of the future attractiveness of the strategic segments of the enterprise, which were identified at the stage of strategic segmentation. This will allow the company to predict its competitors' position on the market.

Definition of a business model is a complex process that requires an understanding of which model is the best for a particular strategic business segment. The business model of the bakery enterprise consists of three dimensions: customer service groups; goods and services offered; applied technologies¹.

The management team of a bakery enterprise must have knowledge of what tasks each strategic business segment of the business has today, and have a vision of future areas of operation that will achieve long-term growth and viability.

The development of a strategic portfolio allows us to solve the problem of the best use of existing strategic business segments to achieve a strategic breakthrough. The evaluation of the attractiveness of all involved segments is based on the synergistic effect that occurs within the enterprise.

In order to overcome potential disagreements that may adversely affect the development of a dynamic competitive strategy and achieve a strategic breakthrough, the bakery enterprise must develop strategic initiatives after each disagreement. This is a continuous process where the enterprise monitors environmental signals that may indicate trends, threats or opportunities. Trends are the accumulation of events that cause changes in the level of economic turbulence in the market. Threats and opportunities are unique events that lead to strategic frustration and failure. It is strategic frustration that determines concrete actions or strategic initiatives that are necessary for the development and implementation of a dynamic competitive strategy.

In order to prepare a bakery for effective implementation of a dynamic competitive strategy, its management team needs to develop financial and budget plans that will ensure that all necessary resources are available. It is also necessary to reconcile the functional management capability, that is, to create an effective combination of capabilities of the overall management of the enterprise, sales teams, marketing, production, finance and other important functions.

Implementation of strategic initiatives allows the management team to understand what steps are still needed to be taken to successfully structure and implement strategic initiatives. This stage

¹ Warren, K. (2002). *Competitive Strategy Dynamics*. John Wiley & Sons, 330.

defines the structure of projects of strategic initiatives and the composition of management and control teams for their implementation.

The results of the dynamic competitive strategy implementation process need to be put into effect. Prioritized strategic initiatives at this stage are plans for projects that will create opportunities, systems, structures, processes and tools needed to implement a dynamic, competitive strategy and strategic breakthrough for bakery enterprises.

The final stage allows the company to understand how it will expect future disagreements that could threaten the implementation of a dynamic competitive strategy. As part of the implementation of the strategic management system, the bakery company should have all the necessary strategic information to support the viability of a dynamic competitive strategy and anticipate strategic disruptions that may threaten the achievement of a strategic breakthrough.

Conclusions. The implementation of a dynamic competitive strategy for the bakery enterprise is possible provided that a series of steps is taken: from the strategic assessment to the implementation of the strategic management system. Strategic planning as a formalized process of setting strategic goals and development of a multivariate strategic plan for their achievement is crucial for the future success of the bakery industry enterprises.

The implementation of a dynamic competitive strategy is based on change management from the future to the present. One of the important factors for the effective implementation of a dynamic competitive strategy is a strategic plan that defines the main tasks, steps and resources needed to achieve strategic goals which have been identified by executive terms. Considering this, one can conclude that the process of development and implementation of a dynamic competitive strategy is relevant for the bakery industry enterprises. In the conditions of transformation processes, incompleteness of economic, administrative and a number of other reforms, the question on the development and implementation of a dynamic competitive strategy as an effective tool for enterprise management becomes of particular importance and requires further research.

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