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**Kalina Iryna Ivanivna**

PhD in Economics, Institution of higher education «Institute of Design, Architecture and Journalism», Kyiv

e-mail: kalinargz@gmail.com

## **ECONOMIC BASIS FOR THE DEVELOPMENT OF AGRICULTURAL ENTERPRISES' REVITALIZATION STRATEGY**

*Гаджетпен байланысты ақпараттық және коммуникациялық ортада пайда болатын инновациялық өзгерістер. Диджитализацияның әсері белсендіру үдерістері арқылы іске асады, ол белсендіру стратегиясына негізделген аграрлық кәсіпорындардың дамуының тиімді механизмін енгізуде инновациялық мақсатқа жетуіне бағытталған DJ, маркетинг, логистика, өндірістік менеджмент және персонал гаджет құралдарын тереңдетіп пайдалану қажеттілігін тудырады.*

*Яғни, жандандыру аграрлық кәсіпорынның құрылымдық бөлімшелерінің мүмкіндіктерін күшейту тәсілі ретінде қарастырылады. Бұл әдіс гаджет құралдарын қолданатын әрекеттерді жүйелі түрде жасауға негізделген. Бизнес құрылымында, сондай-ақ қоғамның ақпараттық сауаттылығын және электрондық үкіметті дамытуды ескере отырып, дағдарыстың бәсекелестік артықшылығын тудырды.*

*Бұл мақалада аграрлық кәсіпорындарға бәсекеге қабілеттіліктің жаңа деңгейіне шығуына мүмкіндік беретін белсенділіктің стратегиясын қалыптастыру мен дамытудың экономикалық негіздері қарастырылады.*

**Түйін сөздер:** *dzzelalizatsiya, белсендіру, djzelal-маркетинг, DJ-логистика, DJ-өнімі, DJ-персонал, белсендіру стратегиясы, механизм, белсендіру әлеуеті.*

*Инновационные изменения, которые происходят в информационно-коммуникационной среде связанные с диджитализацией. Влияние диджитализации рассматривается через активизационные процессы, которые создают огромную потребность в углубленном использовании диджитализационных инструментов: диджитал-маркетинга, -логистика, -управление производством и кадрами, которые ориентированы на достижение инновационной цели, при осуществлении эффективного механизма развития аграрного предприятия на основе стратегии активизации.*

*То есть рассматривается активизация как способ усиления возможностей структурных подразделений аграрного предприятия. Это способ базируется на системном выполнении действий с применением диджитализационных инструментов. Учитывая диджитализационные инструменты в бизнес-структуре, а также информационную грамотность общества и развитие электронного правительства привели к конкурентоспособным преимуществам в коммерции.*

*В данной статье рассматриваются экономические основы формирования и разработки стратегии активизации, которая поможет аграрным предприятиям выйти на новый уровень конкурентоспособности.*

**Ключевые слова:** *диджитализация, активизация, диджитал-маркетинга, диджитал-логистика, диджитал-производство, диджитал-персонал, стратегия активизации, механизм, активизационный потенциал.*

*Innovative changes that are happening in communication and information environment are linked to digitalization. Its influence is viewed through the revitalization processes that create a need for in-depth use of digital tools such as digital marketing, -logistics, -production management, -HR management etc. These tools are aimed at achieving an innovative goal in implementing an effective mechanism for the development of agricultural enterprise on the basis of the strategy of revitalization.*

*The revitalization process is viewed as a way to strengthen the capabilities of the structural units of the agricultural enterprise. This method is based on the systematic execution of actions applying digital tools. Digital tools in business structure, as well as the information literacy in society and the development of e-government, have led to competitive advantages in commerce.*

*This article examines economic foundations for creating and developing a revitalization strategy which will help agricultural enterprises to enter a new level of competitiveness.*

**Key words:** *digitalization, revitalization, digital marketing, digital logistics, digital production, digital staff, revitalization strategy, revitalization mechanism, revitalization potential.*

Strategic management with effective planning and control provides many advantages to the agricultural enterprise. Of course, the main reason for the increasingly active implementation of methods and approaches of strategic management is its contribution to the long-term efficiency and profitability which ensures the survival of agricultural enterprises. One of the most important aspects of the positive influence of strategic management is its impact on business performance through communication between the agricultural

enterprise and its environment, as well as between all structural elements in the enterprise.

Strategic planning will only be effective if the management of the agricultural enterprise will have objective information about the revitalization potential which will allow not only to determine the effective strategies for the company but also to develop revitalization strategies in the future.

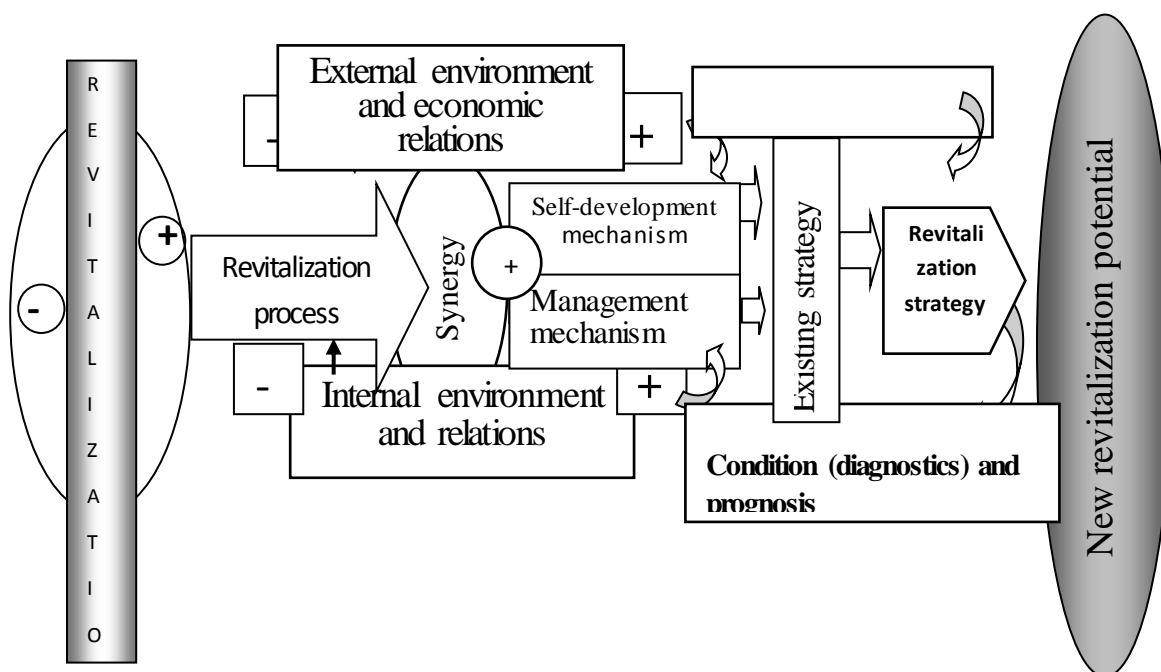
Analysis of recent research shows that developing effective strategies in general and revitalization strategies in particular is only possible

with a well-established system for monitoring the environment [4], analysis of internal changes in the agricultural enterprise [4; 5; 6], diagnostics [3; 7; 8; 9] and resources of the examined organization [5; 6]. The early theorists of strategic management (R. Acoff [1], I. Ansoff [2]), including M. Porter, A. Thompson, and J. Strickland [5; 6] talked about the need to adapt to the external environment, but I. Ansoff in the later years developed a method for recognizing threats using the weaker signals. Therefore, nowadays in management theory reactive paradigm gives way to the management problem that's based on prevention of danger and revitalization influence on the environment through preventive management [8; 9].

The implementation of preventive management, as shown by recent research, is only possible on the basis of a corresponding revitalization strategy which, in our opinion, requires some improvement. The unresolved aspects of this problem are the need to model the process of developing a revitalization strategy as well as its implementation on the basis of a diagnostic system. This strategy should be aimed

at the sustainable development of the agricultural enterprise through the effective use of company's revitalization potential as well as digital tools. The process can be carried out on the basis of continuous improvement and development of units of agricultural enterprises as well as their independent provision.

The revitalization potential of the agricultural enterprise can be defined as a synergistic driving force of the digital transformation aimed at the continuous progressive changes in the process of achieving the objectives of the agricultural enterprise. Sustainable development and revitalization of the agricultural enterprise should be defined as a sequence of structural changes in the revitalization potential that increase the dynamic stability of these transformations [10]. As a result of changes in the process of interaction of all elements of the system there is a new revitalization potential of the agricultural enterprise, a new productive force that can solve tasks on a larger scale (pic.1).



Pic.1 Development mechanism of agricultural enterprise based on the revitalization strategy

In our opinion, this problem is becoming extremely relevant for domestic agricultural enterprises due to the need to survive in the extreme conditions of the economic crisis as well as to search for realistic strategies of sustainable growth.

Increase in viability of an agricultural enterprise mainly depends on the management quality and the ability of the production complex to adapt to rapidly

changing economic conditions. Market relations constantly change the requirements for agricultural enterprises to shift their production focus on flexibility, dynamism, self-organization and efficiency. The interaction between the organization and the external environment can be defined as the ratio of entropy and revitalization potential. It is proven that in order to reduce entropy it is necessary

to spend part of the existing potential of the enterprise which in time will be replaced by a new increase in the revitalization potential [11].

This increase can be achieved by improving and developing the management system of the agricultural enterprise itself and its production as well as its technical support (computers and software), educating employees about digitalization, digital marketing and logistics, the distribution of products produced; therefore, by effectively using the enterprise's own revitalization potential. The effectiveness of its use increases significantly with decreasing entropy. In our opinion, we can significantly influence this process by foreseeing possible changes in the development of the environment and the agricultural enterprise itself thus allowing us to implement preventive means of revitalization strategy. In turn, the development of the revitalization strategy should be based on the application of such organizational and economic levers as: agricultural enterprise's diagnostic system, digitalized marketing process and decision-making on managing the development and revitalization of the information and communication processes both at and outside the enterprise.

The focus of developing a revitalization strategy should be on digital marketing, logistics, production and staffing. This process is carried out by means of detailed comparisons of different aspects of the activity of the considered agricultural enterprises with other similar organizations both in Ukraine and abroad; it especially concerns the use of Internet technologies.

Objectivity can become a serious problem when analyzing the potential of agricultural enterprises. Many companies have fallen victim to overly optimistic assessments, expectations and predictions, relying mainly on positive results in the past and ignoring the experience and progress of other organizations.

At the same time, some agricultural enterprises may not even know about the advantages they possess. In the analysis and evaluation of the organization's potential and resources, a systematic approach is essential. The key to ensure the objectivity of this analysis is to determine the quantitative measures of effectiveness which will allow to compare agricultural enterprises with each other.

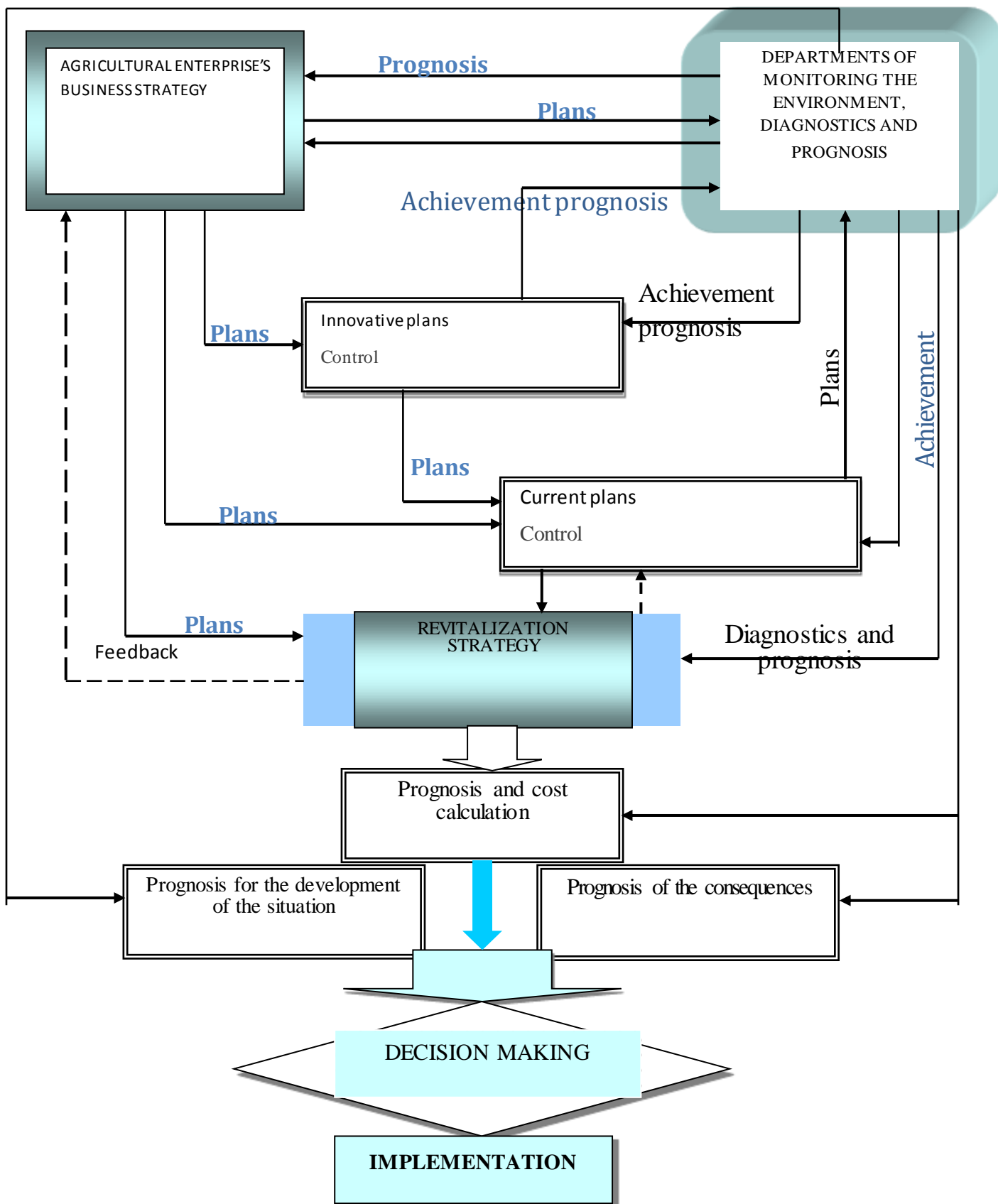
It is only with a well-tuned IT system, analysis and prognosis, we can survive today and thrive tomorrow. Prognosis becomes more and more important, perhaps even more important than planning. Developing quality strategies of varying complexity as well as realistic plans of their implementation is only possible with a precise prognosis. It is only based on precise prognosis we can get effective, innovative current plans and business plans of any complexity.

Particularly important task for prognosis is to anticipate the occurrence of crisis and its subsequent development. It is equally significant in identifying opportunities for achieving goals after making plans at any stage of the organization's development, as well as identifying the possible consequences of implementing the plans. It is worth noting that there are several versions of revitalization strategy in development; they are based on agricultural enterprise's own revitalization potential, factors in the external environment of the enterprise that destabilize the situation and market development trends. At the stage of the formation of market economic relations, revitalization strategy is developed in order to ensure the viability of the organization and it focuses on the survival of the organization with its crisis-free development in the long run.

When developing and implementing a revitalization strategy, we proceed from the standpoint of a two-way goal. On one hand, the efforts of the management of agricultural enterprises should be directed towards revitalization processes via digitalization tools. On the other hand, we have the influence of the key factors.

When we say "efforts" we mean preventive measures of a functional nature that are used by the management to ensure the reliability of achieving the goals (providing backup suppliers, resources, diagnostics, etc.). By key factors we mean factors associated with the market, first and foremost with the digitalization.

If we look at the development of the revitalization strategy in the system of plans and prognosis' (pic. 2), we will see that the strategy takes into account the innovative plans and the prognosis for achieving the goal.



Pic.2 Development of the revitalization strategy in the system of plans and prognosis'

One of the focal points in the revitalization strategy development is an advanced process of revitalization that serves as the core of the revitalization strategy model which allows the company to function steadily while facing unexpected situations and the influence of the hostile environment.

When developing and implementing a revitalization strategy, the main focus is on the issues of providing information. Probability, consistency and relevance of the information are the main requirements in the process of taking any administrative actions; the significance of these

requirements only grows bigger in the process of developing a revitalization strategy. The efficiency of the development crucially depends on the existing level of strategic planning in a particular agricultural enterprise. Successful implementation of the developed models is only possible if strategic planning is successful and functions of monitoring, diagnostics and prognosis are available and capable of developing and implementing a strategy of administrative decision-making. Aforementioned is only possible if the intellectual potential of the agricultural enterprise itself is rather high.

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#### **Калина Ирина Ивановна**

**Лауазымы:** Жарнама және қоғаммен байланыс департаментінің бастығы Дизайн, сәулет және журналистика институты, Украина, Киев қ.

**Пошталық мекен-жайы:** 03039 Украин, Киев қ. Frometovskaya 2

Ұялы тел: +380676823484

**Аграрлық кәсіпорындарды жандандыру стратегиясының экономикалық негізі**

#### **Калина Ирина Ивановна**

**Должность:** заведующий кафедры рекламы и связи с общественностью, ВУЗ «Институт дизайна, архитектуры и журналистики», Украина, г. Киев

**Почтовый адрес:** 03039, Украина, г.Киев, ул. Фрометовская 2

**сот.тел:** +380676823484

**Экономические основы разработки стратегии активизации аграрных предприятий**

#### **Kalina Iryna Ivanivna**

**Position:** Head of the Department of Advertising and Public Relations Institution of higher education «Institute of Design, Architecture and Journalism»

**Mailing address:** 03039, Ukraine, Kiev, Frometivska St. 2

**Mob.phone:** +380676823484

**Economic basis for the development of agricultural enterprises' revitalization strategy**