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**STRATEGIC ANALYSIS OF AGRICULTURAL ENTERPRISES
DEVELOPMENT IN THE CONTEXT OF THEIR ECONOMIC
SECURITY**

**СТРАТЕГІЧНИЙ АНАЛІЗ РОЗВИТКУ АГРАРНИХ ПІДПРИЄМСТВ
В КОНТЕКСТІ ЇХ ЕКОНОМІЧНОЇ БЕЗПЕКИ**

Summary. *The article is directed at exploring the technology of conducting strategic analysis in agricultural enterprise in order to ensure its economic security. Strategic analysis is of particular importance. Strategic analysis is a tool of strategic management which can be used in the conditions of aggravation of competition, violation of financial stability, uncertainty in the market.*

The general aim of the article is to investigate and identify the internal and external outsiders of the agricultural enterprise via strategic analysis to ensure its effective management.

The research used general scientific methods, systematic and complex analysis. The article states that the assessment of the level of economic security

of agrarian enterprise is formed in the context of such basic functional components, such as: financial, innovative, personnel, technical and technological. Each of these components is evaluated by a system of qualitative and quantitative components, which include an integrated assessment of the level of economic security with the study of their important indicators. Algorithm for conducting a strategic analysis for agrarian enterprise is proposed, which consists such steps: identification of important factors that influence on the enterprise activity; identifying the enterprise's opportunities and threats; grouping of opportunities and threats by certain interconnection; building a complex matrix and formulating a strategy. Effective application of this list will create the basis of a working system of compliance with economic security.

It is established that the application of this strategic management tool allows to identify timely along with the company's strengths and opportunities existing threats and weaknesses, to build an effective strategy of the enterprise activity and at the expense of the strengths and opportunities of the enterprise to retain its share in the market, improve financial position, achieve benefits in front of competitors, increase production volumes.

Key words: *strategic analysis, strategic management, agrarian enterprise, SWOT- analysis, strategies, opportunities, threats.*

Анотація. *Метою статті є дослідження технології проведення стратегічного аналізу в сільськогосподарському підприємстві з метою забезпечення його економічної безпеки. Стратегічний аналіз має особливе значення. Стратегічний аналіз є інструментом стратегічного управління, який може бути використаний в умовах загострення конкурентної боротьби, порушення фінансової стійкості, невизначеності на ринку. Загальна мета статті полягає у дослідженні та ідентифікації внутрішніх і зовнішніх середовищ сільськогосподарського підприємства за допомогою стратегічного аналізу для забезпечення ефективного управління ним.*

У процесі дослідження використано загальнонаукові методи, системного та комплексного аналізу. Встановлено, що оцінка рівня економічної безпеки аграрного підприємства формується в розрізі таких основних функціональних складових, як: фінансова, інноваційна, кадрова, техніко-технологічна. Кожна з цих складових оцінюється системою якісних і кількісних складових, які включають інтегральну оцінку рівня економічної безпеки з дослідженням їх важливих індикаторів.

Запропоновано алгоритм проведення стратегічного аналізу для аграрного підприємства, який складається з таких етапів: визначення важливих факторів, що впливають на діяльність підприємства; виявлення можливостей і загроз підприємства; групування можливостей і загроз за певним взаємозв'язком; побудова механізму та формулювання стратегії. Ефективне застосування цього переліку дозволить створити основу працюючої системи дотримання економічної безпеки.

Встановлено, що застосування даного інструменту стратегічного управління дозволяє своєчасно виявити поряд із сильними сторонами та можливостями підприємства існуючі загрози та слабкі сторони, побудувати ефективну стратегію діяльності підприємства та за рахунок сильних сторін і можливостей підприємства утримати свою частку на ринку, покращити фінансовий стан, досягти переваг перед конкурентами, збільшити обсяги виробництва.

Ключові слова: *стратегічний аналіз, стратегічне управління, аграрне підприємство, SWOT-аналіз, стратегії, можливості, загрози.*

Formulation of the problem. Forming economic security system in the digital economy involves the study of all situations, units and categories, as well as causal relations with other processes of business entities. The perception of techniques, technologies, digitalization processes, understanding and identification of threats to entrepreneurial thinking has a key role in the

management decision-making processes of agricultural organizations of the agro-industrial complex. New areas in the study of the nature of electronic digital language units, their features, functional and system status are being discovered.

The modern period of the restructuring of the world socio-political and economic structure is characterized by an unprecedented growth of new trends and processes. Among them, one of the leading places belongs to such a phenomenon as integration or the creation of fundamentally new socio-political and socio-economic structures from the micro, mezzo and macro levels of organization and management from existing ones. Therefore, their study is relevant and timely in the context of agroindustrial complex, because it is the integration factors and processes that allow acquiring new competitive advantages for agribusiness entities, occupying more efficient market niches and positions, and strengthening economic security.

However, ensuring economic security is complicated by the need to integrate agricultural organizations into the digital communications field as the need to unlock potential in the context of rapidly developing technologies in all sectors of the economy.

Actual scientific researches and issues analysis. A large number of economists work in the direction of assessing the level of economic security of the enterprise, among which: Pushak (2021), Entringer and Nascimento (2019), Ker (2020), Plastun (2017), Lagodiienko (2018), Reznikova (2022) and others. Parfitt and Barnes (2020) note that the principles of ensuring economic security have changed somewhat in the context of the existence of unstable conditions for the life of economic systems [4].

The specifics of managing the agroindustrial complex and the basis of the risks that could adversely affect its development and become a security risk were investigated by Ker (2020) [2].

It is very difficult to assess the level of economic security of the agroindustrial enterprise. Parfitt and Barnes (2020) formed the definition of a

strategy for assessing the level of economic security of the agroindustrial enterprise through the formation of a structural-logical scheme for agricultural enterprises [4]. Entringer (2019) considered strategic directions for assessing the level of economic security of the agroindustrial enterprise for processing enterprises through the dynamics of the opportunities and threats of this type of enterprises [1]. Lagodiienko et al. (2021) assessed the impact of threats on security of enterprise, and also assessed the level of this impact on enterprises [5]. Shynkar et al. (2020) in their work studied the main strategies for determining the level of economic security at enterprises, including assessing the number of threats and factors of the internal and external environment [7]. However, as part of our study, we focus on agroindustrial enterprise that have not been investigated so far. If we talk exclusively about agroindustrial enterprise, Schmink (2020), has proposed several strategic directions for assessing the level of economic security of the agroindustrial enterprise: a reduction strategy, a limited growth strategy [6]. To date, there is no holistic and practically confirmed method for assessing the level of economic security of the agroindustrial enterprise, the calculation of which would provide information on the need for choosing right management at agroindustrial enterprise, taking into account the specifics of their activities.

Setting objectives. Strategic analysis is an important method for the formation of substantiated, necessary and timely information necessary for building an effective development strategy of enterprises. The article analyzes the necessity of strategic analysis of agricultural enterprises as an important tool for determining the prospects of development in the modern market environment.

Presenting main material. Ukraine's agriculture sector is an important source of livelihoods for the roughly 13 million Ukrainians living in rural areas. It is also a major provider of food for both domestic and international markets. Prior to Russia's full-scale invasion in February 2022, Ukraine's agriculture sector accounted for 11 percent of the country's GDP, nearly 20 percent of its labor force, and nearly 40 percent of total exports, with Ukraine being the world's

fifth-largest exporter of wheat, fourth-largest exporter of corn, and third-largest exporter of rapeseed. A strong and stable agriculture sector in Ukraine is thus critical for global food security. According to a report by the UN Food and Agriculture Organization (FAO), global food prices increased by 12,6 percent during roughly the first month of the war, a clear indicator of Ukraine's status as a global breadbasket [9].

In recent years, the main adverse factors that caused the crisis in the economic system of Ukraine were as follows:

- diminution in external demand,
- business loss;
- diminution in consumer and investment demand;
- deterioration of financial performance of enterprise;
- reduction in purchasing power of the population;
- high rate of inflation.

The full-scale Russian invasion of Ukraine caused damages to the agricultural sector of the country for the total amount of \$4.29 billion. It is stated in the analysis "Agricultural War Damages Review Ukraine", prepared by the team of the Center for Food Research and Land Use KSE Institute in cooperation with the Ministry of Agrarian Policy and Food of Ukraine. Damage assessment is the first element in assessing the need for restoration [9].

Ukraine is one of the world's top agricultural producers and exporters and plays a critical role in supplying oilseeds and grains to the global market. More than 55 percent of Ukraine's land area is arable land. Agriculture provides employment for 14 percent of Ukraine's population. Agricultural products are Ukraine's most important exports. In 2021 they totaled \$27,8 billion, accounting for 41 percent of the country's \$68 billion in overall exports (Table 1).

Table 1

Ukraine agricultural production and exports (2021/22 marketing year) [3]

Product	Production			Exports		
	Volume (1,000 MT)	Rank Among Global Producers	% of Global Production	Volume (1,000 MT)	Rank Among Global Exporters	% of Global Exports
Corn	41,900	#6	3.5%	23,000	#4	12%
Wheat	33,000	#7	4.3%	19,000	#5	9%
Sunflower	17,500	#1	30.6%	75	#9	3%
Barley	9,900	#4	6.8%	5,800	#3	17%
Sunflower Oil	5,676	#2	30.6%	4,950	#1	46%
Sunflower Meal	5,452	#2	27.5%	4,100	#1	54%
Rapeseed	3,015	#6	4.2%	2,700	#3	20%

Source: USDA WASDE and PSD Database, updated March 9, 2022.

Ukraine is under martial law and will forward domestic products to consumers within the country, so we believe that the decline in exports of food products will be more significant than the percentage of inaccessible arable lands.

The deliberate actions of russia to reduce Ukraine's agricultural potential is primarily a hit to Europe, which exports more than 32% of all Ukrainian agricultural products. And this could be most devastating for poor countries and populations that will not afford the new food price [5].

The large-scale hostilities now taking place in Ukraine are setting a precedent in the modern history of civilization. Whether in the social, cultural, economic and educational dimensions or in the balance of agrarian economy and nature.

New conditions of doing business impose new requirements on the composition of tasks and concepts and methods of internal strategic analysis of agricultural enterprises:

1) strengthen the dynamic component of strategic analysis, which will allow for more accurate accounting of the relationships between existing (local

and global) industry markets and the dynamics of changes in the external environment as a whole;

2) carry out an assessment and analysis of all strategic assets of enterprises (including adaptive capabilities and strategic assets that allow entering new industry and geographic markets) from the perspective of future markets and determine the scarce resources and capabilities of companies to preserve the stability of competitive advantage and overcome crisis situations [8].

The change in requirements for strategic analysis makes it necessary to improve existing and develop new elements and methods of analysis that are not taken into account in traditional concepts, and methods of internal strategic analysis of enterprises [3].

It must commit to a comprehensive vision of agricultural and rural development. They need to design, implement and constantly review a series of priority and carefully timed measures necessary to boost investment in agriculture:

1. Maintaining sound and stable macroeconomic and trade policies that encourage investment in agriculture.
2. Strengthening human capital in rural areas through health and education services and access to productive resources.
3. Establishing a strong institutional environment that improves access to markets, ensures dissemination of information, sets standards and provides an adequate legal and regulatory framework.
4. Enabling research and extension services to develop productive and robust technologies under farm conditions.
5. Upgrading the marketing, transport and communication infrastructure to support farmers' access to seasonal and longer-term capital and inputs and providing them with strong price incentives.
6. Safeguarding natural resource and environment capacity [2].

Strategy development should be based on the use of various tools of strategic analysis: ETOP-analysis (analysis of threats to the external environment and profile capabilities), SWOT-analysis (strengths, weaknesses, opportunities and threats), SPACE-analysis (evaluation of the strategic position and actions) matrix GE / McKinsey (matrix «attractive industry / position in the competition»), the matrix Shell / DPM (directional policy matrix), PIMS-analysis (analysis of the impact of market strategy for profit), etc.

An alternative approach to assessing the effectiveness of economic security is the use of SWOT analysis. This analysis makes it possible to comprehensively assess the impact of internal and external threats on an agricultural enterprise, as well as to formulate a plan of measures to neutralize them.

But along with the advantages of this method, there are also disadvantages. The main disadvantage of SWOT analysis is that it belongs to the group of so-called instrumental and descriptive models of strategic analysis, which characterize only general goals, and specific measures to achieve them are studied separately [6]. The main factors taken into account in the SWOT analysis are presented in Table 2.

SWOT analysis gives a clear picture of the current situation in business. The main advantages of the SWOT analysis method are:

- this method can be used in various areas of economy and management.
- SWOT analysis can be adapted to the research object of any level.
- free choice of analyzed elements depending on the set goal.
- can be used both for operational control of the enterprise and for strategic planning for a long period [1].

Table 2

SWOT-analysis in agricultural enterprise in order to ensure its economic security

	Positive influence	Negative influence
Internal environment	Strengths	Weaknesses
	<ul style="list-style-type: none"> 1) highly qualified staff; 2) provision of financial resources; 3) savings from increasing production volumes; 4) updated production technology; 5) updated material and technical base; 6) cost advantages 	<ul style="list-style-type: none"> 1) seasonality of production; 2) deterioration of competitiveness; 3) narrow product line; 4) production problems; 5) lag in the field of research and development; 6) high wear and tear of the material and technical
Environment	Opportunities	Threats
	<ul style="list-style-type: none"> 1) access to new segments and markets; 2) expansion of own production; 3) release of new own products; 4) reduction of entry barriers to attractive markets; 5) the possibility of moving to a group with a better market position; 6) acceleration of market growth 	<ul style="list-style-type: none"> 1) appearance of new competitors; 2) maintaining market growth; 3) increase in the share of imported products; 4) growing influence of suppliers; 5) change in customer needs and tastes for goods and services; 6) possibility of absorption by a large enterprise; 7) unfavorable government policy

The prediction is performed to:

- 1) assess the social, economic, scientific, technical and environmental effects of each of the options of the company;
- 2) determine the content of measures to implement the existing business opportunities and reducing possible threats;
- 3) assess of required resources: labour, financial, material and time required for implementation of the chosen strategy.

Conclusions and perspectives of further research. The scientific and practical approach that we have formed can create the basis for managing economic security of agroenterprise and will allow us to identify the signs of crisis development as quickly as possible in order to respond in a timely manner. Not without the help of leading experts and scientists, it was determined which

financial indicators should be used in assessing the level of economic security agroenterprise.

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