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FORMATION OF THE STRATEGY OF THE COMPANY IN INTERNATIONAL BUSINESS

Summary. *The aim of the research was to determine the choice of strategy for the company's activity in international business. The study studied choosing the right direction of international economic activity among other alternatives for the company. The company may start its international economic activity with a clearly defined goal or intention, but may be forced to adjust its intention in accordance with dynamic changes in the external environment. In the strategic context, the company's positioning represents a balance between the company's international activities and the business environment in which the company conducts international activities. It was found that established and proven that the strategy of the company's activity is considered in the form of a comprehensive plan of the company's international activities, which is developed on the basis of a scientifically based approach and*

should be designed to achieve the company's long-term global goals. It turned out that the development of stable partnership relations can be facilitated by the effective activity and development of the company. In total, determining the strategic position of the company on the market will make it possible to be sure of the rationality of choosing a strategy and to correct existing mistakes when developing a strategy at the initial stage. Thus, the processes of choosing a strategy of international activity should include strategic planning and strategic management. The results obtained open up new directions for research, in particular, recommendations for increasing the level of competitiveness and improving positioning, the constant search for new advantages, both in the internal environment and in the external and, in particular, in international markets.

Key words: *international business, strategy, positioning of the company.*

Statement of the problem. In today's difficult conditions, realizing that, unfortunately, the war will not end quickly, and its consequences will affect Ukraine for more than one decade, questions arise about reasonable planning for the recovery and development of Ukraine, the creation of new strategies for development and recovery, strategic planning and strategic management. The process of choosing a strategy for improving the economic component of the country is now almost the most important task after the task of winning at the front.

The development of a new regional development policy requires a comprehensive analysis and assessment of the current situation related to the war and its impact on the situation in Ukraine in general and in the regions and territorial communities.

A large part of the Ukrainian territory is occupied, some of it is undergoing active combat operations, the liberated territories are partially mined. All this complicates the processes of strategic planning and strategic management and the

company's access to qualitative and quantitative indicators of effective activity. Therefore, companies can choose to conduct their activities on the international market, mastering new markets and using European business experience.

The processes of choosing a strategy for international activities should include strategic planning and strategic management. The issue of strategic planning can be defined as the adoption of a rational strategic decision, and strategic management should be related to the achievement of strategic results in international markets: the capture of new markets, the introduction of new products and technology. The company's strategic position in the international business environment depends on a correctly chosen and effectively implemented international strategy.

Analysis of recent researches and publications. A large number of works by foreign scholars, such as: R. Akoff, I. Ansoff, K. Gallagher, L. Stanley, M. Porter, D. Rodrik, D. Smith, O. Williams, J. Freeman and many others is devoted to theoretical and practical issues of formation of international business. The key definition of the scientific category «strategy» was first developed by D. Collis. This author identification of this category such components as [1]:

- market opportunity, or what the company could do in the future, that is, the potential of the enterprise;
- general competences and resources, or what the enterprise is capable of performing, that is, the current capabilities of the company;
- own values and aspirations, or what the company would like to achieve or accomplish, that is, the main purpose of the company;
- confirmation of obligations to society, or what the enterprise should fulfill, that is, the social responsibility of the enterprise [2].

Formulation purposes of article (problem). The purpose of the study is to form the company's strategy in the post-war period on the international market.

The main material. The first definition is that the strategy is formed as a plan

of the company's activities. Such a strategy is thought out, which should be formed as a result of careful consideration and a pre-planned set of measures. The basis of such a strategy is formed by issues of the strategic process, which is a logical and hierarchically structured algorithm of performed measures [3].

This approach to strategy in international business has become traditional and is aimed at identifying and defining an acceptable set of strategic alternatives for the company. Such a strategy will allow choosing the right direction of international economic activity among other alternatives for the company.

The classification of key strategies for the company's activities in the international business environment is given in the table. 1.

Table 1

Classification of key strategies for enterprise activity in the international business environment

Types of strategies	Main directions
Corporate strategies	establishing an investment priority and directing corporate resources to the most attractive sphere of international activity;
Business strategies	strengthening the competitive position in each type of business;
Functional strategies	formation and management of the economic portfolio of structural units, or strengthening the business positions of the company.
Operational strategies	development of measures, methods for the formation of competitive advantages in international markets;

The second definition of strategy is a strategy in the form of a specific program of actions of the company (play) in the international market. The strategy of a specific program is also a rational strategy, which differs from the strategy as a plan common to the entire organization.

Such a strategy should be used for special cases. Strategy in the form of a specific program of actions of the company (play) in the international market represents a special program of actions, tactics or maneuvers in order to improve its competitive position in the international market [4].

The third strategy can be defined as a strategy as a pattern of behavior. A strategy in the form of a behavior model is a strategy that suddenly and unexpectedly arises or a spontaneous strategy that forms elements of unpredictability in the company's actions, taking into account the view of external observers, for example, competitors.

Thus, the enterprise is able to start its international economic activity with a clearly defined goal or intentions, but may be forced to adjust its intentions in accordance with dynamic changes in the external environment. In this case, relative to the final implemented strategy of the company, this strategy can be formulated in the form of processes of merging rational and strategy in the form of a specific program of actions of the company.

The fourth strategy can be defined as a position strategy. Such a strategy in the form of a position is rational and aimed at solving tasks regarding the positioning of the enterprise within the relevant field of activity and on international markets. At the same time, the concept of strategy is formed in relation to the technology used, capabilities, scale of production and markets – in accordance with everything related to the strategic positioning of the company in the international business environment.

In a broader strategic context, the company's positioning represents a balance between the company's international activities and the business environment in which the given company conducts international activities.

The fifth strategy can be defined as a perspective strategy. Forward-looking strategy can also be defined as a spontaneous strategy that arises from perceptions within the enterprise about the international business environment.

In this form, a prospective strategy can be formed in accordance with a certain set of corporate values or corporate culture. For example, if the beliefs of the company's specialists, organizational culture, and corporate ethics are considered

important strategic assets in the company's activities, then the enterprise will strive for the greatest expansion of the scope of such corporate culture, «instilling» it in new specialists and spreading it in new departments of the company.

In such conditions, company employees will not use those ideas, views and approaches that do not correspond to the basic provisions and principles of corporate culture.

Thus, the strategy of the company's activity is determined in the form of a comprehensive plan of the company's international activities, which should be developed on the basis of a creative, scientifically based approach, and such a strategy should be designed to achieve the company's long-term global goals [5].

Among the most important mechanisms of the strategy of international activity can be called the development of plans and guidelines for the development of the company in the international business environment, in particular, such as tactics, policies, procedures and rules of conducting international business.

The processes of choosing a strategy of international activity should include strategic planning and strategic management. The issue of strategic planning can be defined as the adoption of a rational strategic decision, and strategic management should be related to the achievement of strategic results in international markets: the capture of new markets, the introduction of new products and technology. Considering this, strategic planning can be called the role of an analytical process, strategic management of the company – the role of an organizational process. Analytical process should condition rational organizational process.

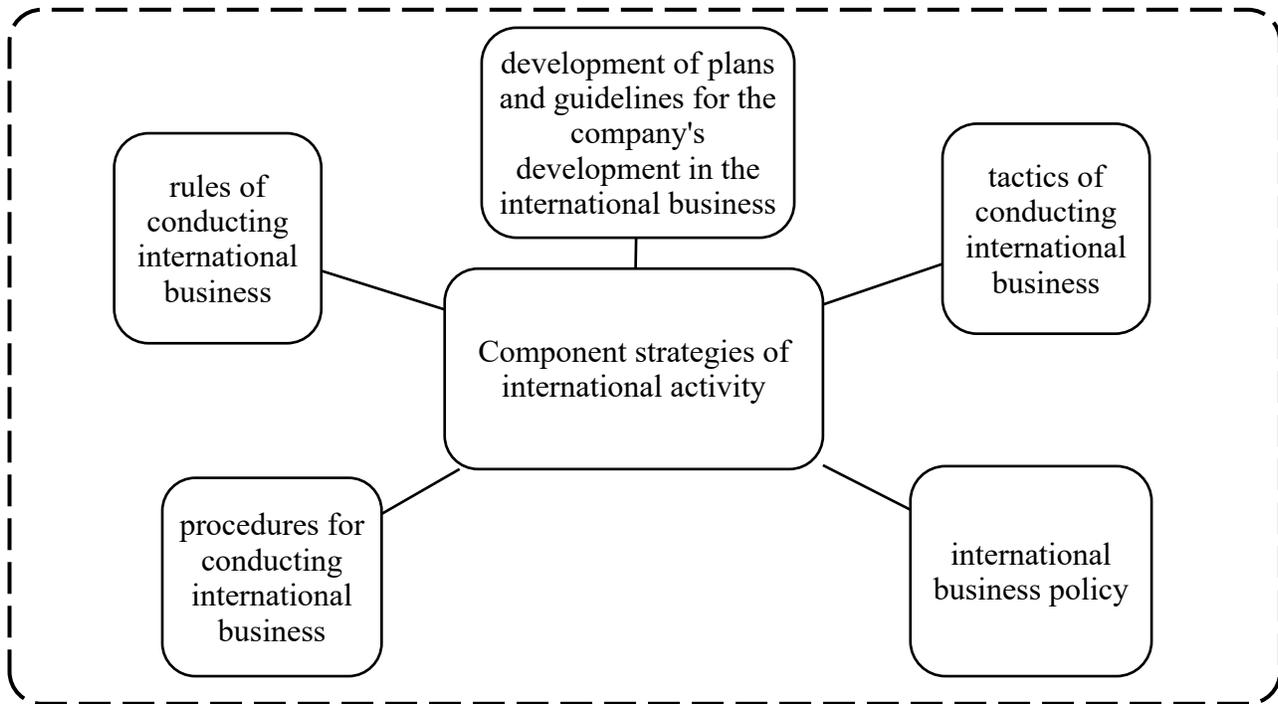


Fig. 1. The main components of the strategy of international activity

Source: compiled by the authors on the basis of [2-4]

The development of the strategy of international activity should be carried out at 5 levels of management of international economic activity: corporate, business, functional, operational and modulatory.

In accordance with each level, the company's development strategy and its development processes can be influenced by various factors of the company's internal and external environment. With this in mind, the development of the strategy of international activity should be carried out in three spheres of the company's activity: marketing, financial, and organizational and technical. At the same time, matrices can be used that can reflect the state of the company in certain situations, in addition, they can help in choosing a specific strategy for the company's international activities. The elements that unite all 3 spheres of the company's activity in international markets are three-dimensional space, which can provide complete and general results of developing a strategy of international activity [6].

There is a certain list of conditions for the rational implementation of the strategy [7]:

- circumstances that will not impose excessively strict restrictions and reduce the probability of achieving the set goals;
- amount of time and resources for program implementation;
- the correct combination of company resources is necessary;
- the company's policy to be implemented is based on the theory of cause-and-effect relationships;
- the connection between causes and effects is direct, and the number of intermediate connections is insignificant;
- the tasks and their severity, which the company has before itself;
- high-quality communications.

The main task of each company can be defined as the identification of key factors of the external environment that affect its foreign economic activity. Under such circumstances, it is necessary to take into account the strength of interrelationships of factors, their dynamism, as well as inaccuracy and incompleteness and uncertainty of information about the company's activities. All these factors are extremely important for the further organization of optimal responses to challenges that arise in the external environment.

The level of competition in the market can be affected by such factors as the number of companies operating in the given industry, the phase of the life cycle of the products produced by the company, «barriers to entry and exit» from the market, market saturation, and the company's ability to capture new international markets.

The development of stable partnership relations can be facilitated by the effective operation and development of the company, it can allow to use the knowledge, experience, production capacities of companies that are highly specialized in certain industries, and receive high-quality products and services.

The toolkit for determining the company's strategic position in the international business environment is given in table 2.

Table 2

Determining the company's strategic position in the international business environment

Scientific approach	Diagnostic method
Diagnostics of the company's strategic capabilities for the purpose of forming strategic potential	SWOT analysis, factor analysis, expert, morphological, logical modeling, factual, econometric, monitoring, methods of operations research and decision-making, economic and mathematical modeling and optimal programming, correlational, statistical method
Diagnostics of the company's strategic capabilities in order to create a competitive advantage	Matrix models, including Ansoff matrix, Boston Consulting Group, McKinsey, SWOT analysis, a method based on the theory of effective competition, benchmarking, methods of differences, ranks, points
Diagnosis of SMP in order to find out the real ones	BCG model, SWOT analysis, PEST analysis, SNW analysis, model 4P, GAP analysis, GE/MsKinsey model, Ansoff matrix
opportunities, resources and vulnerabilities in relation to the external environment	BCG model, SWOT analysis, GE/MsKinsey model, analysis of value chains, industry analysis, analysis of strategic groups, STEEP analysis, scenario analysis, analysis of intermediaries, problem analysis, analysis of the experience curve, analysis of the growth vector, patent analysis, product life cycle analysis, analysis of financial ratios, programming of strategic funds, analysis of the level of sustainable growth, competitive analysis, consumer segmentation analysis, consumer value analysis, analysis of functional capabilities and resources, assessment of individual characteristics of competitors
Competitive diagnostics	GAP analysis method, the method of compiling a company strategy profile, score

The company's internal environment forms a set of factors that should influence the results of its activities and are under the direct control of the company's personnel, managers and owners. The analysis of all the main aspects of the company's functioning must be carried out, taking into account the situation that has developed and the trends of changes in the external environment. It is necessary to develop a strategy for the company's international activities in order to determine

compliance with the established goals, to identify prospects for the implementation of opportunities provided by the environment, and to avoid or overcome threats.

Insights from this study and perspectives for further research in this direction. In order to evaluate the internal environment of the company, it is advisable to pay special attention to the study of the following main directions [8]:

- company logistics;
- phases of the «life cycle» of products; image, the presence of clearly defined goals and strategies of the company;
- financial condition: liquidity and solvency; sources of financing and financial stability; the size of the loans and the terms of their repayment;
- cash flow of the company; profitability; the impact of profit and depreciation on cash flows;
- financial planning, technical capabilities; planning methods; assessment of prospects; audit (methodology, prospects, auditors' conclusions);
- marketing activity, competitiveness factors: product quality, competitiveness, product profitability; levels of consumer commitment, their concentration; efficiency of supply, levels of trade mark-ups, quality of customer service; coverage of the sales network; level of marketing-mix development; market research costs;
- production and economic activity: duration and features of the production cycle; material and technical and raw material and resource provision; the level of production, diversification and conversion costs;
- level of technological and technical complexity, equipment renewal, patent protection of technology and products; production efficiency;
- innovative activity: the level of expenses for research and design work; availability and level of research and experimental base; speed of implementation of

research and experimental development results into production; efficiency of innovations;

- labor resources: the structure and level of qualification of the company's specialists;
- labor turnover; motivation and payment systems; selection methods,
- attestations of training, promotion, advanced training and retraining of personnel;
- management system and organizational culture:
- organizational management structure;
- the level of development of the internal communication system;
- level of development of analytical subsystems;
- organization of the control system of the enterprise; specifics of information systems.

In order to form a strategy and a set of measures to increase the specific weight of the products presented on the market, it is necessary to conduct an assessment and analysis of the company's position on the market. Determining the company's strategic position on the market will make it possible to be sure of the rationality of choosing a strategy and to correct existing mistakes when developing a strategy at the initial stage.

The listed factors can form a significant list of various combinations that should be taken into account when developing a set of measures to increase the market share that the company should occupy with the products it produces and sells.

Evaluation and analysis of the company's position on international markets depends to one degree or another on the following factors:

- the presence of the company's leadership in the market, that is, whether the company is in a leading position in international markets, or is constantly in secondary roles or is fighting for survival;

– the presence of advantages and disadvantages of the company's activities, as well as the presence of opportunities in international markets and threats that may affect the company's activities.

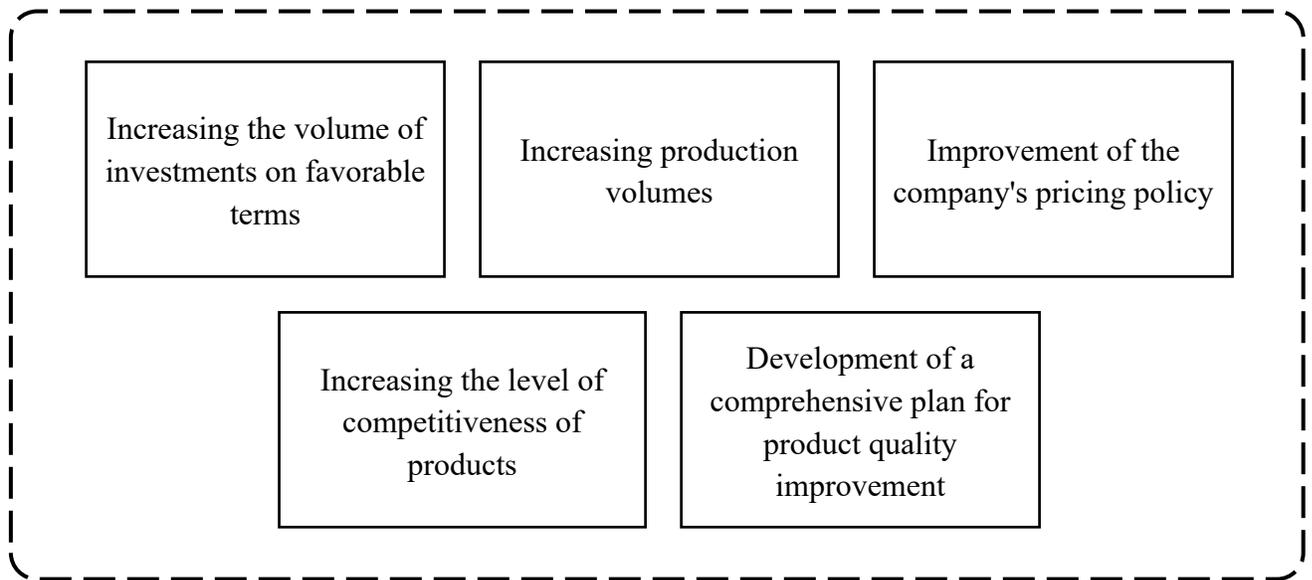


Fig. 2. Basic recommendations for increasing market share

Source: compiled by the authors on the basis of [6-7]

A demonstration of what is involved in bringing the strategy in line with the features of the external environment can be provided when considering 5 classic options for the situation that develops in the industry in which the company conducts its activities:

- competition in a new and high-growth industry;
- competition in a mature industry.
- competitive struggle in the industry, which is at the stage of stagnation or decline in business activity;
- competition in the industry, which is divided into many small segments;
- competitive struggle of companies on international markets.

The result of establishing control over the company's activities can be called the emergence of opportunities for increasing and grouping orders for products

manufactured by the company. The owners of large enterprises are most often powerful financial and industrial groups.

In addition, large strategic companies have opportunities to form a powerful base of product customers, to carry out technical modernization of production activities, to structure the range of products that are manufactured and sold.

The company must understand the need to take into account the psychological capabilities of managers who make decisions about signing contracts. More often than not, the number of specialists who have access to such management decisions is limited. But if this tender or approval of the agreement goes through private or state structures that are higher, then information must be collected about a much larger number of specialists who are involved in such management processes.

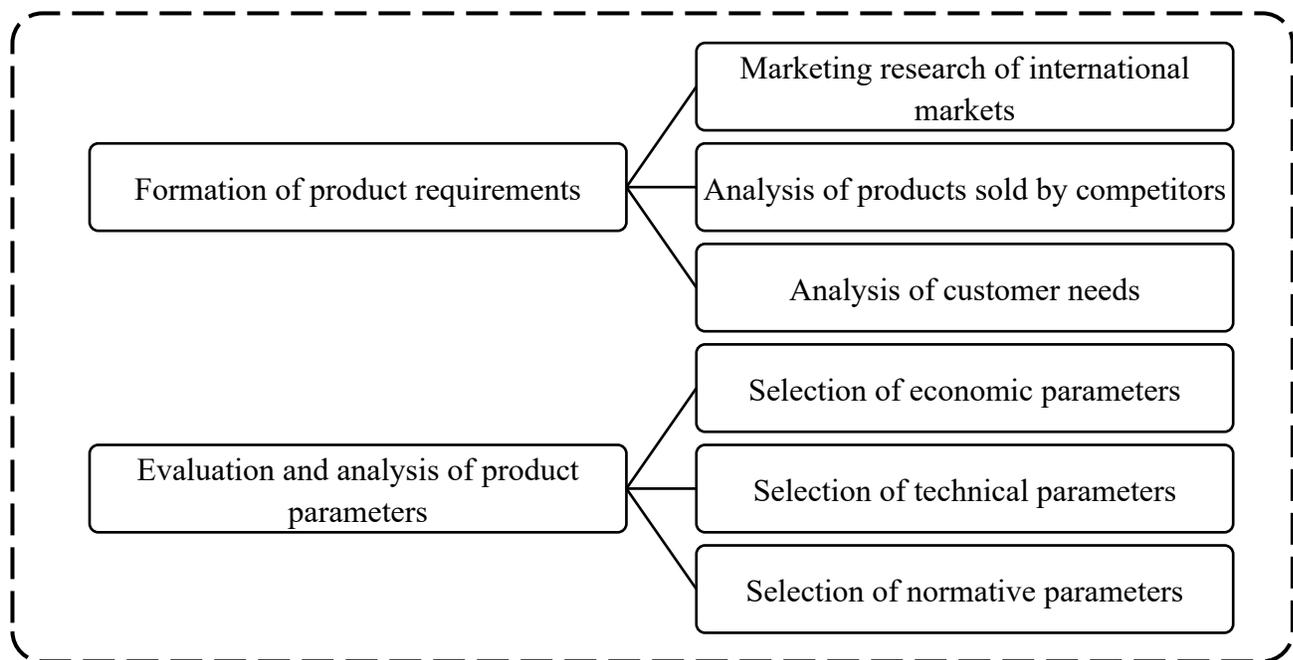


Fig. 3. Analysis of the competitive position of products on international markets

Source: compiled by the authors on the basis of [8-9]

On the basis of such data, a psychological portrait of a specialist is drawn up with a gradation of advantages and disadvantages in his characteristics. Of particular importance is the analysis of previous management decisions made by such a

specialist when signing similar agreements, and whether the level of competitiveness of the products, regarding the implementation of which the decision was made, was taken into account.

A key recommendation for increasing the level of competitiveness and improving positioning can be considered a clear focus on one's comparative advantages in competition, the constant search for new advantages, both in the internal environment and in the external and, in particular, on international markets. For the company, it is necessary to determine the list of functions performed by the managers of the world's leading power engineering companies, the composition of their management and engineering divisions, the methodology for developing strategies to improve the market position of both the products manufactured by the companies and the positions of the companies themselves.

When evaluating and conducting an analysis of the competitiveness of products, it is necessary to choose the parameters based on the analysis of which the comparison of products is made. Product parameters can be economic and technical.

A competitive company is considered to be a company that successfully withstands competition on the market, both domestically and internationally, that covers production costs at the expense of revenue from product sales and receives a net profit. The main condition for an acceptable level of competitiveness of the company is the production of competitive products.

Investments are necessary to ensure the production of competitive products, to constantly improve products, to update and modify while reducing production costs. Therefore, the company's competitiveness depends on the volume of investments and the efficiency of their use, that is, on the efficiency of investment activities.

Conclusion. The processes of choosing a strategy of international activity should include strategic planning and strategic management. The issue of strategic

planning can be defined as the adoption of a rational strategic decision, and strategic management should be related to the achievement of strategic results in international markets: the capture of new markets, the introduction of new products and technology. The company's strategic position in the international business environment depends on a correctly chosen and effectively implemented international strategy.

A key recommendation for increasing the level of competitiveness and improving positioning can be considered a clear focus on one's comparative advantages in competition, the constant search for new advantages, both in the internal environment and in the external and, in particular, on international markets.

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