

# The Role of Strategic Planning Technologies in Terms of European Cooperation Development

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**Abstract – The article is devoted to the essence and peculiarities of strategic planning technology, its introduction by domestic enterprises in terms of European cooperation development. The features of strategic planning are explored. The problems of implementation and factors that determine the choice of a particular strategic planning technology is clarified.**

Key words – strategy strategic planning technology, European cooperation, management system, typology.

## I. Introduction

Active participation of Ukraine in the European cooperation creates real perspective for domestic producers towards the European market entering. This implies the urgent need of radical changes and modernization in production processes, technical upgrading and technological transformation, administrative processes efficiency improvement and fundamental changes in a management system.

## II. The results of the research

Strategic planning is an integral part of enterprises management system, since it allows to make reasonable decision concerning future development vector and provides the possibility of long-term successful functioning; it creates conditions for adaptation to the changes that regularly take place in a changing and unpredictable environment; to ensure efficient and targeted resources allocation; to minimize the risks and to modulate scenarios of future events etc.

Strategic planning effectiveness is determined by its conducting technology. The technology should meet specific requirements to ensure adaptability, adequacy and effectiveness of the strategic plans, developed on its basis. Strategic planning technology (SPT) is a sequence of strategic planning stages. It provides each stage details description of its resource support. SPTs differ from each other according to their basic requirements, steps, procedures and other characteristics of strategic planning activity.

Strategic planning is of particular importance while Ukrainian enterprises develop European cooperation. Therefore, the unified SPT is developed. It includes the following stages: collection and processing a massive of information; an enterprise strategic goals formulating; environmental factors analyzing; selecting criteria clarifying; strategic planning tools reasoning; alternative strategies forming; optimal strategies choosing; project

documentation and implementing programs forming; formation of evaluation criteria of the effectiveness achievement.

While strategic plan developing, the adequate SPTs should be used. The plan must take into account all peculiarities of the enterprise environment. There are a lot of different types of SPTs in modern economic literature, but there are no comprehensive typology and systematic approach to the SPT definition. In order to ensure a holistic comprehensive study and research of various kinds of SPTs their classification was developed. The following requirements were observed: not to mix different types; to provide completeness of all possible types; to leave an opportunity to expand the typology; to use different and independent selection characteristics. Consequently the following typology features of enterprises SPTs in terms of European cooperation development were revealed: strategic planning object, procedure of strategic plans development, ability to adapt to environmental changes, hierarchy level of strategic planning, input basis, planning tools and automation level.

At the level of the SPT choice it is important to take into account the high degree of uncertainty of external and internal environment. Inside the company events have a high degree of certainty and entirely depend on the internal environment of an organization. Outside the company, in relations with suppliers, customers and other market counterparties the planning system faced with high uncertainty environment.

SPT is a key element of strategic planning. When SPT developing, particular importance should be given to the methodological basis of SPT formation and implementation, which provides the ability to implement the main goal of strategic planning, to determine the sequence and formation of specific actions aimed at its effective functioning ensuring, successful and long-term development. The choice of SPT is an important and responsible process, the result of which is an appropriate strategy.

In order to review existing SPTs of national enterprises and to identify problems in this area, the methodological principles was developed, based on evaluation tools and distribution capacity. The SPT is advisable to explore using adequate information about the features of SPT/ The information can be received from the managers of these enterprises. As a result of our research the elements of SPT analyzes were carried out. The main of them are: availability of strategic planning at the enterprise, its subject, object, the reason of conducting and results; centralization and automation level; the period for which strategic plans are developed; features and procedures of their development; strategic indicators; ability to change and to adopt to the enterprise environment; input basis for planning; strategic planning tools and etc. On the basis of practical materials analyses it has been founded that there are significant difficulties associated with the SPTs choice while entering European markets, connected with the necessity to take into account the peculiarities of a specific enterprise.

On the basis of publications on the SPT problem it can be argued that there is a large variety of strategic planning models. The main stage in the process of their formation

is to define the selection criteria of different kinds of strategies. The results of the criteria review of typical foreign strategic planning models lead to the conclusion that they are not concrete, not formalized and there are no clear boundaries, which complicates the possibility of their use in domestic business activity. Therefore, the practical use of foreign strategic planning models for Ukrainian enterprises is very problematic. During strategic planning of Ukrainian enterprises the specially designed models should be used. These models include relevant criteria that would allow selecting the priority strategy, taking into account peculiarities of the industry and the enterprise. The examples of such strategies are industrial, financial, investment, innovation and others.

The validity of the particular SPT selecting is determined with the list of factors. These factors include: stability of market conjuncture, enterprise scale, enterprise life cycle, level of the company strategic planning, peculiarities of the management organizational structure, level of management centralization and an enterprise diversification, personnel qualification and competence, automation and cybernation level and others.

The basic principles of SPTs formation and implementation include: principles of continuity, consistency, coordination, flexibility, participation, optimality, dynamic and adequacy. Introduction of strategic planning technologies will allow domestic enterprises to accelerate the European integration processes and to create effective cooperation with foreign partners.

While strategic planning of national enterprises conducting, managers should focus on indicators that are important for businesses in a particular area, reflect its problems and aim to solve acute problems and are not common and universal.

In this regard, based on the results of the research, a list of strategic by the Norton-Kaplan projections was suggested: finance, customers, business operations, training and development. The "finance" projection includes indicators such as profits, return on assets ratio of overall liquidity, financial stability. Such indicators as a company market share, rate of sales growth, competitiveness integral index represent the projection "consumers". The projection "business operations" includes strategic indicators such as capital productivity, labor and raw materials production, capital intensity, coefficient fixed assets. Projection "education" is represented with such indicators: productivity, coefficient

of workers skills degree matching to their operations complexity, the rate of personnel turnover, costs on the innovation costs on training and retraining [1].

## Conclusion

Results of the SPT study and the above mythology implementation reveals that:

- strategic planning is carried out on 72 % of investigated domestic engineering companies;
- only 46 % of surveyed companies have clear, delineated and declared mission.
- strategic planning in organizations is conducted by managers of all managerial levels;
- 80 % of investigated Ukrainian enterprises set long term targets in industrial, financial, investment and innovation activities;
- the majority of national enterprises plan in terms of 2 – 3 years;
- 62 % of the procedures for developing strategic plans are consistent;
- the majority of enterprises (73 %) carried out strategic planning from achieved indicators (the base of the results is input, the previous strategic plans and actual performance of the previous period);
- strategic planning objects are usually separate projects, programs and activities;
- results of the strategic planning is the basis for managers punishment or other employees incentives in only 20 % of companies surveyed.

It is also revealed and proved that there is a link between such nominal variables like:

- the presence of strategic planning in the organization and clearly defined and declared mission;
- the level of strategic planning centralization and SPT adaptability etc.

Strategic planning technologies is important part of Ukrainian enterprises effective development in terms of European cooperation.

## References

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