The mechanism of the construction enterprise’s strategic planning

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Abstract. The minimalism of the construction enterprise’s strategic planning, which meets the industry specifics. The main components of such a mechanism and their relationship are highlighted. The structural mechanisms are the blocks; the analytical mechanisms are target, strategic. The contents of the blocks are disclosed. The strategic planning mechanism is presented as a defining part of a unified management system for the construction organization activities, which determines the desired state of the control object and forms a program for achieving the goals. Strategic planning is considered as a process, the initial stage of which is the organization’s mission formation, conducting marketing research, developing goals and strategies, determining the desired parameters of the firm’s “order portfolio” dictated by the strategic settings. Within the framework of studies related to the strategic planning mechanism, the solutions to a number of problems published in the scientific publishing houses are proposed. During the studies, the key concepts and directions of the strategic planning are clarified, the methods of domestic and foreign authors that define the strategic planning processes are described. The proposed strategic planning mechanism activities of the construction company provides an opportunity to systematically approach the issues of finding the ways to achieve the well-being of the company in the short and long term.

Introduction
Production activities of construction organizations in modern conditions is not easy to carry out. This is due to the uncertainty in the workload of organizations, the difficulty of selling the construction products, the instability of orders, pricing problems, the crisis of cash and payments and other reasons.

In construction organizations, among the leaders and technical experts, there is an opinion that, when implementing the organizational and technical solutions familiar to them, good economic results will be automatically achieved.

Based on these judgments, they actually deny the strategic planning and ad hoc targeted management of economic results as optional. Most organizations are limited to current and operational planning only for the products and services manufacture orders, while the options for implementing the contract are not well developed, and the development strategy of the organization as a whole is not taken into account. The situation is aggravated by the fact that in the scientific literature in the country today insufficient attention is paid to the strategic planning of the enterprises and organizations’ development, especially in the investment and construction sector. However, many domestic and foreign scientists and analysts believe that it is the lack of a developed strategy that currently hinders the enterprises and leads, in some cases, to negative results.
1. Methods and study
Interest in strategic management in Russia should objectively increase, which is due to the following factors.

There is economic growth in the country, i.e. the conditions are created not only for making the urgent tactical decisions, but also for the long-term planning. The economy globalization, the development of competition and information technology, require the managers to anticipate the future, make decisions aimed at maintaining the enterprise’s competitiveness and its sustainable development in the long term. The country’s economy is inseparable from the process of reforming and improving the efficiency at the enterprise. At the same time, the development of an enterprise is impossible without a clearly defined strategy.

The relevance of forming a development strategy for the enterprises of the construction complex is due to the fact that they are involved in the creation of such important components of the country’s national economy and its wealth as fixed assets, implement programs for providing the population with living space, solve the employment problem, etc.

Different enterprises solve the strategic planning tasks in different ways, depending on their internal capabilities.

There is no single strategy for all enterprises, since each of them is unique. At the same time, leading theoreticians and specialists in the field of strategic management developed the basics of business strategies in modern conditions: Ansoff N. [1], Asaul A.N. [2], Afitov E.A. [3], Bosovsky L.E. [4], Buzryev V.V. [5], Wisema H. [6], Kostyuchenko V.V. [7], Larionov N.K. [8], Tesse D, Pisano G, Shuen A. [13], Hadanov Z.M. [14], Yankovskaya V.V. [15] et al.

2. Results and discussion
Based on the analysis, the methods of strategic planning, having systematized the methods used in the field of investment and construction activities, we have proposed a generalized mechanism of strategic planning in construction organizations. The mechanism structurally includes the following blocks: analytical, target, strategic.

As part of the analytical unit, they analyze and forecast the state of the external and internal environment of the organization, the target - the formation of the philosophy and mission of the enterprise, the definition of goals and the identification of the existing problems, strategic - the choice of a development strategy, determination of the ways and mechanisms for implementing the strategy, monitoring its implementation.

The purpose of the analysis of the organization’s environment is to identify the critical components of both the external and internal environment that can affect its ability to achieve the chosen goal.

The most characteristic areas of analysis and forecasting the state of the external and internal environment are: the study of the market, its conjuncture, capacity, potential and development trends; studying the predicted needs of the potential investors, customers, their financial capabilities; study of the competitive situation in the market, analysis of the competing firms’ activities; study of promising trends in the field of pricing; evaluation of the effectiveness of advertising; understanding the potential for the new construction products to enter the market.

The above-mentioned studies relate to the so-called external marketing. It is also important to conduct internal marketing, i.e. to explore various aspects of the company: production - features, technical level; sales - organization of products' sales; personnel - age structure, level of education; finance - equity, financial balance and financial stability; material and technical support - opportunities and channels, own base; management - organization and management structure, etc.

If external marketing makes it possible to determine the consumer’s intentions and preferences, demand for products and market capacity, then internal - entrepreneurial intentions, desired results.

The specific final state or desired result that the company seeks to obtain is a goal that defines the concept of its development and the main activity areas. There are general goals that are developed for the company as a whole, and the local goals that are developed in the main types of activities.
The general goals of the construction organization may be: the development of new areas and new activities; ensuring a stable position in the domestic market; access to the foreign market in order to obtain foreign exchange resources; ensuring the profitability necessary for the successful development of the organization. Local goals are developed in accordance with general goals for the main activities and can be expressed in quantitative and qualitative indicators.

The mission of building organizations is mainly influenced by its mission - the highest values, role and social status, interests and needs of its owner, the actions of various internal and external factors - the possibilities and prospects of the contract market, the possibility and prospects of production development. Orientation of the organization to the final results, the application of developing methods of management by goals today dictates not just the development of a set of goals, but the construction of their hierarchical system.

To achieve this goal, the construction organization carries out a comprehensive analysis of its internal potential and the state of the external environment in which it operates.

As a result of the development of reasonable measures and methods to achieve the intended goals, the most appropriate areas of activity and organization development strategies are formed.

Depending on the nature of the goals set by the company, there may be various types of strategies that are grouped by nature and focus.

The first group, which is company-wide, includes: the takeover of other firms; merger with other companies; branch opening; acquisition of shares to the other firms; vertical integration - joining the company suppliers of material and technical resources, marketing companies; narrow specialization - the organization of units narrow for the production of final products.

The second group, related to the market situation, combines the following strategies: expansion of the existing markets; penetration into the new markets; maintaining the level of sales of construction products in the existing markets; concentration of commercial and marketing efforts in target markets; leaving the market.

The third group, product strategies: leadership and the allocation of special services or products that are specific only to this company; ensuring the low costs - achieving competitive advantages by means of the cheaper production; production output with different profitability; focus - production of products focused on a narrow circle of consumers (customers); diversification - the release of new products and the expansion of the activity areas.

When choosing a strategy, it turns out that the situation is in the market for construction products and the organization’s position on it, that strategic goals are set in the organization, what difficulties, obstacles and threats can arise when the goal is achieved, that the particular actions need to be performed to achieve the goal.

The strategy planning process includes: determining the critical elements of the external and internal environments that can affect the organization’s ability to achieve its goals; analysis of the information received, i.e. extracting the most important information and results that affect decision making from the totality of the data obtained; assessment of information used as the basis for strategic analysis and identification of the possible options for strategy; forecasting the state of the enterprise and the competitive environment in the future and the alternative ways of the enterprise development; the formation of the mission and strategic goals of the enterprise; development of the enterprise development options that differ in temporal and quantitative characteristics; choice of strategy, determination of priorities for the specific types of activities and the formation of the most appropriate directions for the enterprise development.

After choosing the best strategy, the remaining strategies remain, as they can be used in case of changing the circumstances.

The most important stage of strategic planning is the definition of ways and means of implementing the strategy. The selected strategy is communicated to its performers; measures are developed and plans for the implementation of the strategy are drawn up.

The plan aimed at substantiating the tasks and means necessary to achieve a predetermined strategic goal is tactical. If the question: “what to do?” refers to the strategic plan, the question “How to achieve
the goal?” - to the tactical. Tactical plans are discussed at all the management levels and as a result of the discussion the disputed issues are resolved. In the finished form, the strategy and tactical plans developed on its basis become mandatory for execution, i.e. guiding to action.

The implementation of the strategy is not separable from the strategic control. In the modern integrated enterprise management technology, the methodology of strategic control is controlling, which is an integrated system of information, analytical and methodological support for the managers in the process of making the managerial decisions.

The essence of controlling: the adoption of business goals, the allocation of target targets, regular monitoring of actual values of indicators, analysis and identification of the reasons for the actual values’ deviation of the indicator from the planned ones, the decision-making to minimize deviations.

Alternativeness is a hallmark of the strategy planning process. The search for alternative solutions for the most part is largely due to the adaptive nature of the strategic planning. Adaptability is implemented through a situational approach to planning and assumes the existence of an alternative plan and strategy that the organization can switch to.

The alternative is primarily due to the changes taking place in the external environment of the enterprise. The changes in the external and internal environment require the adjustment of indicators of the development strategy and the adjusted development selection.

The most important condition for the successful operation of any enterprise is to ensure the production of consumer orders. In construction, a combination of two or more projects in which the company takes part is called the “orders portfolio”.

The fullness of the “orders portfolio” is the most important characteristic that determines the achievement of the goals set by the construction organization.

The “orders portfolio” is characterized by volume and structure. The volume is determined by the proceeds from the sale of construction products, sufficient to pay off the necessary costs of the work and achieve profitability (profit), as well as the capacity of the contract market.

A set of orders in the portfolio forms the production program, the planned parameters and the planned capacity of the construction organization.

The results of the production program planning show how close the company is to the set goals, the need for additional measures or changes to the previously planned targets and strategies.

The main element that ensures the formation of the “orders portfolio” is the contract. The contract regulates the relationships, rights, obligations of the customer and the contracting construction organization, ensures the stability of the financial situation, capacity utilization, etc. The construction organization seeks to conclude a contract for the construction of such facilities from all proposed to it, which will provide maximum profit with a certain degree of risk associated with their construction or with the lowest risk level at the desired profit margin.

It is recommended that the construction company, before including the objects in the “orders portfolio”, performs the following actions: process statistical information about the objects to be selected; analyzing the moving objects; analyzing the objects to be selected; creation of the acceptable options for the “orders portfolio”, trying to find a favorable combination of new and rolling objects; choosing the most profitable option for the company with setting an acceptable level of risk.

The increased attention to strategic planning is due to the active use of the marketing research and information technology methods. Technical and information support is being improved. Computer equipment, telecommunications, organization of access to banks and databases are currently actively developing.

In the framework of studies related to the strategic planning mechanism, we proposed the solutions to a number of problems: forming the “orders portfolio” taking into account the risk factors; modeling of consumer demand for the construction products’ quality based on the application of the “target tree”; increasing the competitiveness of the company using the expert methods in the form of a business game [12]; assessment of the construction products consumers’ preferences using the logical matrix models [11]; forecasting the level of profitability of construction products using the probabilistic estimates [9]; prioritization of the construction projects based on the expert assessments [10].
The described components and approaches to strategic planning should function as a single integrated system that meets the strategic objectives and goals of the construction enterprise.

Summary
In the research course, the key concepts and direction of strategic planning were clarified, the methods of domestic and foreign authors, which describe the processes of strategic planning, were systematized.

Based on the strategic planning methods’ analysis in construction, a strategic planning mechanism that meets the specifics of the industry is proposed.

The proposed mechanism for strategic planning of the construction enterprise provides an opportunity to systematically approach the issues of finding the ways to achieve the well-being of the company for the short and long term.

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