Value and role of the strategic management in the development of agricultural enterprises

N A Dalisova\textsuperscript{1,2}, A V Sharopatova\textsuperscript{1,2} and M V Karaseva\textsuperscript{2,3}

\textsuperscript{1}Krasnoyarsk State Agrarian University pr. Mira 90, Krasnoyarsk, 660049, Russia
\textsuperscript{2}Siberian Federal University, pr Svobodny 79, Krasnoyarsk, 660041, Russia
\textsuperscript{3}Reshetnev University, 31, Krasnoyarsky Rabochy Av., Krasnoyarsk, 660037, Russia

E-mail: sharopatova@yandex.ru

Abstract. The problems of strategic management by agricultural production have specific peculiarities and they are always modern and actual. Therefore, strategic interest of modern organizations is the adaptation to the impact of the external environment and maintenance its sustainable development. One of the key stages in the economic activity in any agricultural organization is the development and implementation of the development strategy. This is largely determined by the characteristics of the strategic management object. It helps agricultural enterprises to be competitive both in home and foreign markets.

1. Introduction

In conditions of modern market economy, enterprises operate in circumstances of increased turbulence in the external environment. It leads to the increase in the degree of uncertainty in making managerial decisions and, consequently, to the economic risk increase in achieving goals.

According to the Russian scientist E. Borgardt, strategic interests of modern organizations are adaptation to the effects of the external environment and the maintenance of sustainable development [1, 2]. The higher the uncertainty and dynamics of environmental factors, the more urgent the problem of the development and implementation of a strategic plan by an enterprise is.

The main sense, expressing the essence of the transition to strategic management of agricultural production in the agricultural and industrial regions is to redirect the main interest of senior management at all levels of agricultural management and, especially, heads of economic entities, to the external environment, towards strategy issues. The established rules and skill cannot become the solution to the corresponding tasks, and also will not be able to prevent threats to the external environment in changing the environmental indicators of each enterprise [3].

2. Research methods

At present, in market conditions, home agricultural organizations operate in a highly competitive environment characterized by strong instability. Therefore, a particularly necessary condition for their successful functioning is the formation of a development strategy. It should take into account the state and dynamics of changes in the competitive market environment. Therefore, one of the key stages in the economic activity of an agricultural organization is the development and implementation of a development strategy [4].
The scope of strategic decisions is wide, i.e. the choice of activity areas, priority of resources, key long-term partners, organizational form of partnership, potential development opportunities, ways to use the strengths of the company, limiting the negative impact of weak and environmental threats, competitive and innovative ways to deal with the crisis. The use of resources, their logistics (flows, distribution, storage, delivery), functions of structural units, business processes and product design become strategic. It is important to observe the long-term development of both the production and economic system of the entire enterprise, and its separate elements.

A model of such a system includes three blocks. They are resources (human, material and organizational), functional (consumes resources for the business processes implementation); grocery business processes (a set of functions for creating and promoting finished products). Hence there exist three levels of strategic development of the enterprise.

The main component of all three blocks is human resources, i.e., decision makers (DM), primarily at the functional level, employees as a whole or the collective of the enterprise, personnel as human resources (ensuring the selection, training, movement, distribution of personnel). Professional experience shows that the established procedure for making and implementing strategic decisions is not properly structured, and specialists and managers are poorly armed with management methodology and technology. There should exists a strategic management system with its central part (the center of strategic development) under the leadership, which itself should be part of this system, and the corresponding peripheral groups in the main structural units.

A strategy is a general plan of a company’s actions over a long period of time or achieving a complex goal [5]. A goal is the final, desired result, a company seeks in its activities to. The management sets specific goals for a company and formulates key guidelines on which all the activities of the company and its employees should be focused. The important source of information for determining strategic goals is information on the internal and external environment of the company, its analysis helps to assess the reality of goals, predict possible changes and threats and choose the most effective business strategy.

The results of strategic decisions made depend not only on the effectiveness of the chosen strategies (their uniqueness, flexible adequacy), but also on an understanding of what types these strategies belong to and what classification they belong to. This is quite difficult to do due to the wide variety of strategies and signs of their classification used by various authors.

3. Results

Strategic management has a lot of definitions. Each of them distinguishes certain features of this concept. For example, G.B. Kleiner, V.L. Tambovtsev, R.M. Kachalov estimate strategic management as an enterprise management system based on the development and implementation of the enterprise strategy [6].

Regardless of the formal definitions, the essence of strategic management is best conveyed through an operational definition that describes strategic management as a process of measures structured in a special way to achieve specific goals and based on well-known methodological principles [7].

Strategic management as any management process, obligatory includes stages of analysis, planning and decisions implementation. Some sources consider strategic analysis as a part of strategic planning that, in turn, is a part of strategic management [8].

As for the content of strategic analysis, various authors include various components in its meaning. The most common, but not the most modern approach includes the following elements, presented in figure 1 [9].
Therefore, one can say that strategic analysis is the first stage of strategic management, consisting of several parts, including analysis of the goals and values of the company, its resources and capabilities, structure and management system, as well as environmental analysis in the certain industry.

Thus, one can say that we can distinguish three stages of strategic analysis. They are analysis of the internal environment of the company, analysis of the external environment of the company (it consists of two parts, i.e., analysis of the meso and macro environment), and analysis of the strategic position of the company, which is done on the basis of the first two stages analysis.

An agricultural sector takes a special place in the economy of any country. As a system of production and livelihood it includes agricultural production itself, that is, agricultural production of enterprises of various legal forms; production of resources for agriculture (machinery, equipment, fertilizers, plant protection products); storage and processing of agricultural products; branches of industrial and market infrastructure, marketing.

Changes in the quality of life of the Russian population gave rise to new needs, and led to significant structural changes in agricultural production. It is possible to conclude that with the development of production needs change. The changing needs leads to a change in the structure of production. Moreover, there are factors of production and their social and economic form regardless of the social form of production, workers and means of production are its factors. Every company on the market tries to improve its economic stability, which is necessary in order to take a leading competitive position [10, 11].

The priority remains the growth of the level of social and engineering infrastructure of the village and the incomes of the rural population, involving large investments and the application of regional policies in the field of stimulating innovative development. It should be able to increase the innovative potential of the region and its implementation through the organization of high-tech industries based on the use of intellectual labor and products creating high added value [12].

Thus, it can be argued that in Russia, a strategy for the agriculture improvement was developed through joint efforts of scientists and specialists of the agro-industrial complex. It is based on the principles of sustainable development of rural areas, ensuring employment of the rural population, raising its standard of living, accelerating the growth rate of agricultural production, increasing its competitiveness, rational use of labor and land resources, increasing soil fertility.

The Krasnoyarsk Territory ranks to be the first in the Siberian Federal District in terms of gross regional product with a constant upward trend. It is also among the top five regions of the Siberian Federal District in terms of imports. Per capita export figures in the Krasnoyarsk Territory are almost double the national average.

The agro-industrial complex unites all sectors of the national economy that are directly involved in the production of agricultural products, their processing and delivery to the consumer. At present, the role and importance of the agro-industrial complex is growing, since it performs the most important function of meeting the state’s needs for high-quality agricultural products, which are used primarily by the country’s population and are also sold on the external market.
Therefore, the application of a strategic approach to the management of agricultural production helps to level the instability of not only the market environment, but also the natural one, and ensures its stable functioning in the long term with high competitiveness of products [13].

4. Conclusion

The heterogeneous nature of the influence of factors on the efficiency of an enterprise’s production activity and the need to select special strategic planning methods that allow for taking into account the industry, i.e., specific features of an agricultural enterprise requires the determination and analysis of the currently used strategic planning tools and methods as an element of strategic analysis [14, 15].

The authors of the study [16] note that the implementation of the strategic development system at agribusiness enterprises provides for the creation, in addition to the existing system of strategic production management, organization resource management systems, export strategies, etc. appropriate organizational structure, focused on the realization of a vision, fulfillment of a mission, achievement of goals and implementation of an enterprise strategy.

The development of strategies in agriculture is largely determined by the characteristics of the object of strategic management. The strategic management of agricultural production along with the use of basic principles, has specific peculiarities. The requirements for the formulation and content of the strategic management process, first of all, follow from the basic laws of the nature of agricultural production [17].

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