

**Key words:** an estimation of efficiency of work of experts, synthetic and private indicators, «efficiency» of brainwork, an expense for production management, a management of the higher, average, local, multifactorial system of an estimation of work of technical officers, system of categories.

Надійшло 8.12.2010.

УДК 339.9

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## PECULIARITIES OF ENTERPRISES' INTERNATIONAL COMPETITIVE STRATEGIES FORMATION AND IMPLEMENTATION UNDER THE CONDITIONS OF GLOBALIZATION

The features of international strategic planning and management on the modern stage as well as peculiarities of forming and implementing international competitive strategies allowing the enterprise to compete efficiently on the international market have been determined. Efficient business models based on integration (cooperation) and innovation strategies have been considered.

**Key words:** competitive strategy, globalization, innovative development, business-model, strategic alliances; value-creating global networks.

**Introduction.** The modern stage of the world economy functioning is characterized by the «erosion» of borders between states and the formation of common global market. Ukraine entered the global market as a result of joining the World Trade Organization (WTO). In this connection the problem of domestic enterprises' competitiveness in the global economy is becoming more and more topical.

Globalization is based on constantly deepening process of international division of labor. Liberalization of trade results in the expansion of markets for sale and opens additional external resources for the participants of the world economy. It enhances further deepening of countries' specialization in producing particular products and creation of new models of international business.

The global market formation presupposes the participation of various entities of international entrepreneurial activities – from multinational corporations to enterprises of various organizational and legal forms and size including small and medium businesses in the developed and developing countries. Such participation includes different types of activities – from exporting (importing) to greenfield development and production abroad. Due to specialization and flexibility it enables the businesses to improve their competitiveness and to occupy their niches on the world market.

The formation and implementation of international marketing strategies allow enterprises to provide long-term competitive advantages in the global economy.

The problems of strategic planning and management are considered by foreign authors: A. Ansoff, D. Aaker, G. Vaskonsellos – i – Sa, L. Dahringer,

P. Druker, J. Jeannet, Ph. Kotler, J. Lambin, J. Mintsberg, X. Myuhlbaher, A. Strickland, A. Tompson, D. Hennesi.

The peculiarities of international competitive strategies formation in the conditions of globalization are described in the works of O. Bagiev, O. Byelorus, M. Gelvanovskiy, V. Dergacheva, S. Dunayeva, D. Lukyanenko, Yu. Makogon, N. Meshko, Yu. Pahomov, M. Porter, K. Prahalad, A. Filipenko, G. Hamel, V. Cherenkov, O. Shvidanenko. The above researches are devoted to the description of the environment where strategies are formed as well as to the analyses of globalization's and innovative development's influence on strategic planning.

Nevertheless, the problem of forming international competitive strategies of enterprises taking into account the features of their internal and external environment is not enough studied. There are few works exposing possibilities of enterprises to use alternative strategies and modern business models to increase the efficiency of their activities on international markets.

**Setting the problem.** The present research is devoted to the exposure of the features of international strategic planning and management on the modern stage and the peculiarities of the formation and implementation of international competitive strategies allowing enterprises to compete efficiently on the international market. The change of the conditions of competition caused by globalization and innovative development brings forward new requirements to international strategies and predetermines the efficiency of the business models based on integration (cooperation) and innovative strategies.

**The research results.** The term «strategy» came into Economics from the Theory of Management where it has been used since 1950-s in the context of organization's (firm's, company's) activities. In the conditions of rising instability of the environment the problem of system response to unexpected external changes became increasingly topical.

The existing definitions of strategy unite a range of important aspects. Foremost, strategy is to be understood as long-term direction of development which is determined on the basis of internal possibilities and position in the environment and which leads the subject to the objectives. Strategy is the general program of activities exposing priority problems and resources for achieving primary goals [1]. A. Tompson and A. Strickland define strategy as the summarizing model of the activities required for the achievement of the objectives through coordinating and allocating available resources [2]. According to M. Porter, strategy is the optimum selection of activities [3]. O. Dunaev considers strategy as a system of priorities which includes creation and withholding of competitive advantages [4]. The availability of a definite strategy (of development, competitiveness, etc.) and its quality is a significant advantage of a subject of competitive relations.

*The international marketing strategic planning and management* is a complex continuous process targeted at forming and implementing international marketing strategies allowing companies not only to compete efficiently on the international market but to occupy a definite position on the global market.

Taking into account that regional and local differentiation of the marketing mix elements (4Ps) is saved in the conditions of the global market gaining new quality characteristics, the basic complication in developing international competitive strategy consists in the necessity of considering, first, local

conditions for doing business and corresponding coordination of the selected strategy implementation in different countries, second, factors and features of global demand.

The factor complicating strategic management in international context is multiplicity and vagueness of business environment (conditions in a country and in a region) which is to be analyzed and evaluated when formulating strategic alternatives. The business entering the international market faces new competitors and differing competitive environment. Moreover, the peculiarities of economic, political, legal and cultural conditions in foreign countries are to be taken into account.

S. Hollensen distinguishes external and internal internationalization [5]. *The external internationalization* directed outside the country includes the traditional forms of foreign economic activities: export, licensing, foreign investments through creating legally independent production units and branches abroad, as well as joint ventures and strategic alliances with foreign partners.

*The internationalization directed inside the country* can precede and affect external internationalization. The effective inside-directed activities can predetermine the success of the outside-directed activities, especially on the early stages of internationalization. Forms of external and internal internationalization are shown in table 1.

Table 1

**Forms of external and internal internationalization**

<b>Outside-oriented internationalization</b>	<b>Inside-oriented internationalization</b>
Exporting goods and services	Importing goods and services
Selling licenses abroad	Using licenses of foreign enterprises
Creating franchising network abroad	Purchasing franchise from foreign enterprises
Starting a joint venture abroad	Starting a joint venture with a foreign partner in own country
Strategic alliance with a foreign partner on the foreign market	Strategic alliance with a foreign partner in own country
Starting legally dependent production, representation, branch abroad	Collaboration with production, representation, branch of foreign company in own country
Starting legally independent subsidiary company abroad	Collaboration with subsidiary of a foreign company in own country

The combination of external and internal internationalization is one of the features of the companies starting international activities.

The development of competitive strategy solves the task of determining priority (strategic) business area which allows creating or strengthening and then realizing the competitive advantage of the company. The use of various international marketing competitive strategies supported by the system of strategic, operational and tactical decisions concerning international economic activities helps any company (large, middle or small) to find their own market

position in international competitive environment where it has access to the available competitive advantage.

An important stage in analyzing competition strategies is their classification. Table 2 contains the review of basic classifications of competitive strategies and possibilities of their application for forming strategies of internationalization. The review has been made up according to the research by V. Cherenkov [6] which, in turn, was based on the works of Lee Dahringer and Hans Muhlbaier (table 2).

Table 2

**International competitive strategies\***

<b>Factor of classification</b>	<b>Model strategies</b>	<b>Strategic alternatives</b>	<b>Notes</b>
<b>1. Sphere of competition</b>	1.1. Global strategy 1.2. Country – oriented strategy	1.1.1. Global focused strategy 1.2.1. Strategy of protected niche 1.2.2. National conditions focused strategy	Modified basic strategies matrix by M. Porter
<b>2. Type of competitive behaviour</b>	2.1. Adaptive strategy 2.2. Creative strategy	2.1.1. Patient strategy 2.1.2. Commutant strategy 2.2.1. Explerent strategy	Theories of L.G. Ramenskiy, G. P. Grime, H. Frizenwinkel, A. Yudanov
<b>3. Market share</b>	3.1. Basic strategy 3.2. Confrontation strategy 3.3. Strategy of «nicher»	3.1.1. Global niche strategy 3.1.2. Strategy of «challenger» 3.2.1. Flanking strategy 3.2.2. Bypassing (product bypassing or geographic bypassing) 3.2.3. Guerilla attack	Terminology of F. Kottler, V. Cherenkov
<b>4. Source of competitive advantage</b>	4.1. Cooperation strategy 4.2. Innovation strategy 4.3. Imitation strategy	4.1.1. Participation in large company's output 4.1.2. Strategic alliance 4.2.1. Strategy of technology leader 4.2.2. Strategy of technology follower 4.3.1. Immitation 4.3.2. Adaptation 4.3.3. Inter-branch adaptation	Mutually complementary competitive advantage Competitive advantage of innovation Competitive advantage of low costs
<b>5. Degree of aggressiveness</b>	5.1. With high level of aggressiveness 5.2. With low level of aggressiveness	5.1.1. Strategy aimed at increasing market share – extensive expansion of market share – expansion through diversification – expansion of market 5.2.1. Strategy aimed at increasing profits – due to high profitability; – due to high turnover of capital; due to costs minimization	Business' capability to occupy other's position on the market

\*Based on [6, 7, 8].

It is worth noting that the confrontation strategies directed at aggressive supplanting of competitors from a market less and less meet the requirements of innovative competition on the modern stage of globalization.

Let us mark out the types of international competitive strategies corresponding to the modern paradigm of competition – to seek not to eliminate your competitor in order to achieve and strengthen your own leadership, but to strengthen your competitive advantages, to develop and to improve your company through constructive cooperation with competitors, innovative ideas for new products and technologies, business – models implementation.

*Global niche strategy* is used by both small and large enterprises. It consists in focusing on satisfying special needs of the market. A business concentrates its efforts on the narrow sphere in which it has a competitive advantage. The global niche is made up of target markets' fragments which are far from each other geographically but close from the point of view of marketing and integrated by modern international marketing communications [6, p. 183]. The Body Shop International company which is well-known worldwide for producing ecologically clean cosmetics is a good example of the above.

*Integration (cooperation) strategy* is based on the conclusion about pointlessness of confrontation and necessity of joint activities of companies for better achievement of objectives. Creation of international strategic alliances became a feature of modern global economy.

Not long ago the participation in strategic alliances enabled middle-size companies to compete successfully with giants on the market, it was a means for overcoming trade barriers and penetrating rapidly into new market. Nowadays, in the conditions of innovative development, strategic alliances have become an effective model of integrative competitive behavior. So, Toyota – General Motors alliance after starting up joint venture to produce Toyota Corolla cars gave General Motors an access to progressive production and management technologies while Toyota got an access to the capacious American market and marketing experience.

The development of priority directions of technological progress - information technologies, biotechnologies, creation of new materials, sophistication of production systems, acceleration of changes and high vagueness - stimulates common efforts of companies in shortening innovative cycle, distributing risks, achieving efficiently external competence and predetermines global inter-branch cooperation of business [9, p. 14]. The examples of various types of strategic alliances are: joint projects of «American Express» and «Toy'R'Us» in TV advertising and goods promotion; alliance of «Cytel» and «Sumitomo Chemicals» for developing new generation of biotechnological preparations, sharing the products distributing system by «Nissan» and «Volkswagen», agreement of «IBM» and «Apple Computers» on developing operating systems, alliance of «Ford» and «Mazda» for developing and assembling cars, etc.

Another example of integration (cooperation) strategy is wide introduction of business models of industrial networks – «global value chains» and «global supply chains». These models are introduced by global companies (leaders in their industries) and based on sub-contracts and contracts with independent companies including small and medium business.

In the above business models the added value chain describes the organization of particular products (services) production and encompasses all

the activities of the company creating the added value: development, purchase of raw materials and other resources, production, marketing, distributing and maintenance services for final consumers.

Chains become «global» when their component activities spread geographically through borders to different countries. The examples are business-models of global chains of creating value of B 787 developed by «The Boeing Company» and A350XWB – by «The Airbus Company» which have been effectively implemented in practice.

For small and medium businesses one of the possible cooperation strategies of entering foreign markets is licensing and franchising.

*Innovative strategies* are based on the application of the competitive advantages achieved as a result of using a new technology, product, organizational or marketing method or their combination.

Innovative strategies can be considered from different points of view:

- from the position of a large company which realizes the innovative competitive advantage through their own developments being the technology leader;
- from the position of a technology follower which uses technologies, patents and licenses purchased on the market;
- from the position of young and/or small companies specializing in high technologies. Such companies are especially characterized by the combination of innovative and cooperative strategies.

The innovative strategies are considered to be of high risk and, simultaneously, of high marketing opportunities. The development of these strategies is directly related to venture enterprise.

The combination of innovative and cooperative strategies is also the basis for the business model «opened innovation networks» based on Henry Chesbrough's conception of «opened innovation». This model was developed simultaneously with the economic processes globalization. It presupposes the creation of a wide network of enterprises—partners exchanging ideas and technologies on a market basis, the development of outsourcing in the research sphere, the active consumers' involvement in innovative process («democratization» of innovations) and further commercialization of technologies outside the companies where the innovation was produced or applied for the first time. [10]. A company becomes a system integrator of internal and external technologies. For example, «The Apple» integrates external developers' software for smart-phone iPhone. The opening of a product for external innovators (i.e. Intel Inside strategy of «Intel Company») converts it into a platform on which other participants of the market build the solutions [11].

*Imitation strategies* are related to innovative strategies. The imitation strategy presupposes the study by enterprises-imitators of the market reply to an innovative product. The imitation strategy on the consumer market provides the enterprise with low over-head expenses, low production costs, price leadership and minimization of risks. Imitation strategies are commonly used not only by a number of international companies, but also in international business of «Asian tigers» – South Korea, Taiwan and China [6, p. 189].

The development of international strategy should answer the questions: what types of business an enterprise does in one or another country, how it is going to compete in the selected strategic areas, what the scope and time of international expansion are, how separate functions will be managed.

The enterprises internationalizing their activities are characterized by the increased role of strategic branch and competition analysis.

The branch analysis is usually used for the analysis of external micro-environment of an enterprise. The objective of branch analysis is to determine the attractiveness of the industry and particular markets within it. Such analysis allows determining the structure and dynamics of the industry development, the key factors of the industry success and forming the enterprise's competitive strategy on the basis of the above. The logical result of a particular industry analysis and all the strategic analysis is determination and evaluation of strategic alternatives. Thus, the strategic analysis is the starting point of the strategy formation process.

The process of strategic planning and management is multistage. On every stage businessman should select a set of analytical and strategic instruments which are optimum for his business (table 3).

Table 3

**Classification of strategic management instruments  
based on the stages of strategy formation\***

Stage of strategy formation	Strategic management instruments
Setting strategic objectives of enterprise's activities	GAP – analysis; PIMS-analysis; product/industry life cycle model; portfolio analysis models (Ansoff matrix, BCG matrix, «General Electric» matrix, etc.)
Analyzing external environment factors and market condition	SWOT-analysis; PEST-analysis; PIMS-analysis; experience curves; model «Five forces of competition» by M. Porter, product/industry life cycle model; portfolio analysis models
Analyzing internal environment, estimating resources and determining competitive advantages	SWOT-analysis; PIMS-analysis; experience curves; portfolio analysis models; «7S» model by Mac Kinsey; model «Value chain» by Porter
Forming strategic alternatives of enterprise's development, evaluating them and choosing optimum strategic alternative	Model «Basic strategies of firm» by Porter; GAP – analysis; portfolio analysis models
Implementing the chosen strategy by developing plans and budgets	
Evaluating the strategy efficiency	GAP – analysis

\*Based on [3, 12, 13, 14, 15].

To choose a variant of international strategy and corresponding business-model of its implementation providing the competitive advantage, it is necessary to evaluate the coincidence of key success factors of the industry and the market and the key competences of the company. The key success factors are referred to as sets of skills and resources which affect most significantly the competitive advantages and functioning indexes of a particular market.

According to M. Porter, a company acquires a steady competitive advantage when its key competences coincide with the key success factors of the industry and the markets the company competes on [3].

To analyze the coincidence of the company's key competences with the key success factors the analysis of external and internal environment should be conducted. The generalized result of external environment's analysis is the key success factors, and the result of internal environment's analysis is key competences. The key competences are formulated on the basis of enterprise's strengths and weaknesses evaluation. They can be considered as competitive advantages which are difficult for copying. The key success factors are formulated after a comprehensive analysis of external environment.

IV. Conclusions. The conducted analysis allowed selecting the following peculiarities of international strategic planning and management on the modern stage:

1. The objective of international strategic planning and management is the formation and implementation of international marketing strategies enabling the enterprise to compete efficiently on the international market.

2. The main difficulty in enterprise's international strategy development is the necessity to analyze and to take into consideration global and local conditions of doing business.

3. The factor complicating the strategic planning and management in international business is multiplicity and vagueness of external competitive environment which is to be studied and evaluated when formulating strategic alternatives.

4. The confrontation strategies directed at aggressive supplanting of competitors from a market less and less meet the requirements of innovative competition on the modern stage of globalization.

International marketing strategies – basic competitive global niche strategy, cooperation strategies, innovative strategies, imitation strategies – correspond most closely to the modern paradigm of competition.

5. A company acquires a steady competitive advantage when using business model in which its key competences coincide with the key success factors of the industry and the markets the company competes on [3].

6. The strategic business models which create steady competitive advantages of companies on modern foreign markets and correspond to the innovative paradigm of competition are:

- strategic alliances of companies;
- global value chains;
- opened innovation networks.

7. An important direction for further research is the analysis of readiness of Ukrainian enterprises oriented at internationalization of their activities and entering the global market to use the above business models.

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Визначено особливості міжнародного стратегічного планування й управління на сучасному етапі, а також закономірності формування й реалізації міжнародних конкурентних стратегій, що дозволяють підприємству ефективно конкурувати на міжнародних ринках. Розглянуто ефективні бізнес-моделі, засновані на інтеграційних (коопераційних) та інноваційних стратегіях.

**Ключові слова:** конкурентна стратегія, глобалізація, інноваційний розвиток, бізнес-модель, стратегічні альянси компаній; глобальні ланцюжки створення вартості.

Определены особенности международного стратегического планирования и управления на современном этапе, а также закономерности формирования и реализации международных конкурентных стратегий, позволяющие предприятию эффективно конкурировать на международных рынках. Рассмотрены эффективные бизнес-модели, основанные на интеграционных (кооперационных) и инновационных стратегиях.

**Ключевые слова:** конкурентная стратегия, глобализация, инновационное развитие, бизнес-модель, стратегические альянсы компаний; глобальные цепочки создания стоимости.

*Надійшло 12.01.2011.*