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STRATEGY FOR FOOD INDUSTRY ENTERPRISES
DEVELOPMENT IN MODERN CONDITIONS

The paper deals with the problem of determination the development strategy enterprises of the food industry in the conditions of integration and globalization processes. The problems influencing the level of global competitiveness determined. Identified key competitive advantages and their relationship with the factors of the competitive environment. This allowed distinguishing the development of strategic priorities the food industry of Ukraine to achieve competitive advantages in the context of current operation conditions.

Key words: strategy, food processing, integration, competitiveness, differentiation, competitive advantages.

Introduction. The product of food industry is in the greatest demand, influences the structure of not only the agro-food sector but also the entire economy of Ukraine. The sustainability of the economy and food security, the development of internal and external markets, the living standard depend on the level of its development.

Modern management mechanisms aimed at quantity of products to minimize costs often neglect quality which could be a competitive advantage [1]. Since globalization is a driving force that contributes to progress and improvement, any sector of the economy must be considered in the light of international standards, search for the best conditions for the development of enterprises, facilities, techniques and technologies.

Analysis of recent researches and publications. The various aspects of the food industry, the problems of development strategy have been studied in the works of Ukrainian and foreign scientists Deineko L., Kupchak P. [1], Irtyscheva I. [2], Melnyk S. [3], Riabokon V., Kuzubov O. [4], Kravchenko T. [5] and others.

The process of globalization in terms of content and structure is complex and controversial one, so, among the scientists there is an ambiguity (Starostina A., Kanishchenko O. [6], Sklair L. [7], Kupchak P.M. [8], Bilorus O. [9], Lukyanenko D. [10]), significant difference in the positions concerning the nature, the main factors, exposures and ways to resolve contradictions of the appointed process. However, the problems of strategic behavior of the food industry enterprises based on the account of their branch features require further study taking into account the global processes of globalization.

Previously unsettled problem constituent. Research of current and insufficiently studied problems that associated with the development of the food industry in the processes of integration and globalization made it possible...
to identify the problems affecting the level of global competitiveness, to ground the need to introduce modern and efficient management mechanisms towards the world market that is characterized by increased competition; to determine the relationship of key competitive advantages and competitive environment factors. It resulted in possibility to define the strategic priorities of Ukrainian food industry in order to achieve competitive advantages in the context of current conditions of functioning.

**Main purpose of the article.** Purpose of the paper is to determine the enterprises of food industry strategy in the conditions of integration process in order to ensure competitiveness in the global market. Information base of the study consists of the documents of statistical data on results of economic and state management in competitiveness; food industry functioning; material of the publications that draw scientists’ interest to study the problem.

**Results and discussions.** Modern processes of active economic globalization cause contradictory perception of its prospects and consequences and this requires a clear and deep understanding of the nature and mechanisms of social and economic processes taking place in the world economy. These circumstances are important for understanding the role of factors in the formation of a new quality management component of the national economic system [6, p.58].

According to statistics of the Global Competitiveness Report from World Economic Forum (WEF), Ukraine for the index of global competitiveness 2014-2015 yrs took 76 place among 144 countries, rising to 8 positions compared to the previous 2013-2014, when the country lost 11 place and took 84 place among 148 countries due to political and economic events in the country. This increase in the rating of the country in 2014 was achieved by more efficient markets and better results in education. Among the main problems affecting the level of global competitiveness of Ukraine are alteration of institutional structure (130 place), reduction of the large companies dominance in the domestic markets (129 place) and increase in the markets competitiveness (125 place) and, therefore, their efficiency (112 place).

According to the data of 2015-2016 the rank of Ukraine is 79 (-2) with index 4.03 in seven-point scale. For comparison purposes we note that among the closest neighbors of Ukraine according to the 2015-2016 Poland took 41 place (+2 index 4.49), Russia - 45 place (8 index 4.44), Romania - 53 (6 index 4.32), Hungary - 63 (-3 index 4.25), Slovakia - 67 75 (8 index 4.22), Moldova - 84 (-2 index 4.00). There was no Belarus in rating. In 2015-2016 among 140 countries the seventh consecutive year in the ranking Global Competitiveness Index (GCI) Switzerland is leading with the index of 5.8; Singapore (5.7) remains in the second place, the United States (5.6) took the third place, which remains the world leader in providing innovative products and services; Germany (5.5) and the Netherlands (5.5) took, respectively, fourth and fifth places [11].

The solution of the problem of European integration in all areas creates the necessity of a complete restructuring of the existing governance mechanisms focusing on new, more modern and efficient ones; search for new ways of the world market entrance in terms of the emergence of strong competitors in the mega-level.

The food industry is one of the branches of Ukrainian industry that develops very rapidly. Nowadays, the food industry is about 15% of the products produced in Ukraine with 13% of employed population in it [2, p. 4]. The industry has considerable production capacity potential, human resources and research potential, because in recent years, interest to the food industry is growing. It consists of nearly 40 branches and industries. The output of food industry takes one of the first places in the economy of Ukraine, the product line includes over 3,000 items [12]. Ukraine strives for the EU, therefore, all products subject to export must not only meet the quality requirements that are currently installed, and also greatly exceed them. The export share of food industry in the total export of industries takes the leading position and is 31.6% in 2014 (Fig. 1).

![Fig. 1. Export of industries branches](Composed according to [2])
In the conditions of European integration and in order to ensure competitiveness in the global market it is necessary to choose the strategic direction. Among the well-known, there are three potentially successful strategic approaches for the food industry [13, p.73]:

- absolute primacy (leadership) in the content – provides achievement of absolute leadership in the content industry based on the set of economic measures aimed specifically at the target. Providing leadership requires active creation of production capacity cost-effectively scale; achieve cost reduction based on the accumulation of experience and strict control of production and overhead costs; avoid small transactions with customers; minimize costs in such aspects as research and development services, sales system, advertising etc.

- product differentiation – a strategy aimed at the individualization of the product, providing new features that distinguish it from similar products of other manufacturers-competitors. As a result, products are on the market.

- focusing – a strategy of focusing on a specific group of customers, type of product or geographic market segment.

Since the directions of the food industry considered at the international level, the significant attention should be paid to the strategy of differentiation. It is this strategic direction that will strengthen the competitive position and will play a key role in the choice made by a consumer. While choosing a strategy the main issue is to determine the key competitive advantages, which should be seen as a concentrated expression of the direct or potential competitors on the food market or a separate sector in the economic, technical, organizational areas of the enterprise that can be measured by economic indicators (additional income, higher profitability, market share) [7] (Fig. 2).
Achievement of competitive advantages of food industry is provided as a result of systematic monitoring of directional influence of external and internal factors on competitiveness trends:

- formation of innovative and investment resource development of the agricultural sector;
- harmonization of national standards for agricultural products in accordance with EU standards;
- increase of the export potential of domestic agricultural products;
- establishing the modern infrastructure of the agrarian market;
- strengthening the cooperative movement among agricultural products;
- development of cooperation between producers and research institutions.

**Conclusions and further researches directions.** Selection of strategic development of the food industry enterprises taking into account the influence of the competitive environment factors guarantees not only a significant contribution to the formation of the effective economy, but the country's prestige on the international level as well. The state support, promotion of development and innovation, establishment of more rigid standards must take place not only for domestic but also for the international market. Significant changes in the approaches concerning food industry
management, the agricultural sector in the context of globalization, development and strengthening of competitive advantages will improve the country's competitiveness index.

References.

Література.


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