

Improving Decision-Making Tools for the Strategic Management of the Company's Economic Activities

Kheda Murtazova^{1,*}, Timur Yakubov¹

¹*Chechen State University named after A.A. Kadyrov, Grozny, Russia*

²*Grozny State Oil Technical University named after Academician M.D. Millionshchikova, Grozny, Russia*

* Corresponding author. Email: fu.ggni@mail.ru

ABSTRACT

Modern conditions for conducting financial and economic activities of enterprises at the present time are distinguished by an aggravation of the struggle, an increase in uncertainty and a high dynamic of factors of the external and internal environment. The active integration of the Russian economy into the world economic system makes it possible to position domestic companies as open systems, which determines a high degree of impact on their socio-economic efficiency of such exogenous factors as business globalization, acceleration of scientific and technological progress and the rapid obsolescence of production and management technologies. wide availability of scientific, technical and economic information, high volatility of energy prices and the corresponding changes in the magnitude and structure of costs.

Keywords: *financial and economic activities of enterprises, a high dynamic of factors of the external and internal environment, socio-economic efficiency, business globalization, acceleration of scientific and technological progress.*

1. INTRODUCTION

Strategic planning in modern conditions of globalization, urbanization, increased competition among territories for attracting investments, intellectual resources, tourists, events is the most adequate tool that can consolidate the efforts of the authorities and society in solving socio-economic problems. Program and strategic documents have been implemented for a long time in many countries. Examples of the use of strategic documents are found in different political regimes (democratic and authoritarian) and economic systems (planned and market). In the 1920s and 1950s, the introduction of work with strategic documents accompanied the tasks of primary industrialization, post-war modernization, development, and economic reform. The introduction of strategic documents in modern public administration contributes to an increase in the efficiency and quality of public administration. Research confirms the positive impact of the implementation of strategic documents on the effectiveness of state institutions and the implementation of development programs. In this context, the beginning of the development of program and strategic documents in the 2000s in Russian state

policy corresponds to the global trend of improving public administration institutions and implementing development programs.

However, in Russia, the introduction of practices for the development and implementation of strategic documents did not lead either to the implementation of economic reforms, or to an increase in the efficiency of public administration. On the contrary, there is an accumulation of crisis trends in the economy. The segmentation of the Russian economy is growing: the non-market sector and the share of industries with regulated prices are growing, cross-subsidization and debt of regional budgets are growing, and industrial production is declining; low productivity of industry and labor remains. The World Bank Governance Quality Indexes show a steady decline in indicators of control over corruption, government effectiveness, political stability, quality of government regulation and accountability.

Working with strategic documents in public administration is an established subject of study. There are several research directions in this area. The first direction studies the experience of centralized directive and indicative planning accumulated by socialist

countries since the 1920s (see Agarwala, 1983; Hayek et al., 1935; Lange, Lippincott, Taylor, 1938; Lavoie, 1985a; Lavoie, 1985b ; Vaughn, 1980; WorldBank, 1993). This literature examines the impact of the planning and program-strategic approach on the effectiveness of public administration. The second wave of implementation of strategic planning, which began in the 1990s and significantly increased the number of countries practicing work with strategic documents, substantiated the possibility of productive use of program and strategic documents in different political and economic systems. At this stage, the arsenal of strategic management methods expanded. The cycle of meetings on sustainable development under the auspices of the UN led to the adoption by the UN member states of the Earth Summit Agenda 21 and the Johannesburg Declaration on Sustainable Development. They established a commitment by countries to adopt sustainable development policies.

The commitment presupposes recognition by the UN countries of the task of balancing economic, social and environmental development. The main instrument for achieving such a balance is the adoption of sustainable development strategies. Differences in the experience of implementing strategic documents in different countries are associated with their institutional characteristics: planned economies use bureaucratic and administrative control over the implementation of strategic documents, market economies use strategic planning open for the participation of public actors.

1.1. Strategic planning as a management tool in the state

Among foreign countries, the greatest experience in the field of strategic planning in the 20th century was acquired by France and Japan, striving for the earliest possible restoration of the economies destroyed by the war. At the same time, the scientific directions of political philosophy, as well as the scientific trends of futurism, are considered to be the basis for the spread of strategic planning at the state level [2]. Thus, over time, strategic management has become a widely used tool in practice, which allows you to overcome the so-called "funnel of the future" [6], which is variable and non-linear. The concept of strategic management has acquired a universal character and can be applied both to the activities of a single company and to the development of an entire state.

Focusing on the coordination of actors and tools of strategic management, as well as the object and process of strategic management, this concept allows you to achieve the desired result in the development process [6]. According to A. Shubenkova [7], in one form or another, strategic management is currently used in 106 UN member states. In addition, 23 of the 24 member states of the organization use this tool on the OECD

methodology. Strategic management is promoted by international organizations, including DESA, Rio + 20, UN Millennium Development Goals, OECD, World Bank, etc. Examples of the use of strategic management at various levels are the following documents: Europe 2020, Basque Country Strategy, Barcelona Strategy [2] ...

In Russia, at present, strategic management is also widely used both at the federal and regional levels (including local). Analysis of the current state of the regions of the Russian Federation shows that many of them have a development strategy until 2020 and beyond. But the peculiarity of the current situation in the regions regarding their strategic development lies in the fact that the provisions concerning strategic planning were not fully used in the documents and in practice. As noted by P. Magdanov [9], at the regional level there are problems that complicate the use of strategic planning. These include:

- uncertainty in the methodological approach to managing the socio-economic development of the region;
- lack of organizational support for the strategic planning process; - lack of a strategic planning outline at the "grassroots level";
- lack of a strategic vision regarding the future state of the region;
- the wrong approach to using the services of external consultants;
- separation of the legislative and executive branches of government;
- striving to get results as soon as possible;
- lack of attention to macroeconomic forecasting;
- lack of creativity;
- rejection of negative facts.

Different authors give their own definitions of the strategic management of the region. In particular, L. Shekhovtseva [6] writes that "the strategic management of the region is the management of changes, the development of the region, ensuring its competitiveness in the context of globalization on an innovative basis. Features of strategic management of a region are determined by its essential features, purpose, mission within the state, determined by the need to perform a social function in the broadest sense of the word as the organization of society, the life of a community of people in a certain part of the state, territory. " Strategic management of a region is a directed process that "keeps" under control changes in the region and directs them to achieve strategic goals.

According to I. Sangadieva [2], "strategic management of the region is viewed as a dynamic set of

interrelated and interdependent management processes, namely:

- analysis of the internal and external environment of the region;
- determination of the system function (mission) of the region and the goals of its development strategy; - choice of a strategy for the functioning and development of the region;
- implementation of the regional strategy;
- assessment and control of the implementation of the regional development strategy.

The ultimate goal of implementing the regional management strategy is to identify development opportunities in the face of changing properties, characteristics, parameters of the external and internal environment of the region, the formation of new market relations, the search for resource, technological, legislative and other measures by which these opportunities and potential can be realized " ... For the modern Russian economy, this method of management is considered relatively new. From the point of view of many specialists, in new (market) conditions, with their unpredictability and instability, the use of strategic management will solve many problems of economic development. In this regard, R. Johnston [2] notes that "strategic management allows you to significantly expand the horizons of foresight and thereby creates opportunities for a timely response to changes in the economy and in the external environment." Recently, government agencies have become aware of the need to predict possible factors and circumstances that may affect the internal and external environment of the functioning of regions and the country as a whole. This is confirmed by the adoption of the Federal Law of June 28, 2014 No. 172-FZ "On Strategic Planning in the Russian Federation." The law FZ-172 specifies the principles that must be followed when using strategic planning. They were grouped most clearly by R. Lugovskoy [8].

2. RESULTS AND DISCUSSION

In modern economic conditions, the basis for the efficiency of organizing production at industrial enterprises is strategic management, which makes it possible to formulate the tasks of long-term development of an enterprise, taking into account the current situation in the target market and factors of the business environment. The pace of environmental changes, the transformation of the enterprise's interaction with its external environment, the increased competition for resources, the emergence of new threats and opportunities within the framework of new technologies characteristic of the current stage of economic development, lead to a significant increase in

the role of strategic management, which becomes the key to the effective functioning of the enterprise in conditions of market relations [9].

The problem of the research is to improve the tools of strategic management of an industrial enterprise as the main driving force behind economic growth and increasing the well-being of the population.

Before developing decision support tools, the author formulated the concept of strategic management of the economic development of an enterprise. The concept synthesizes in itself such concepts as "strategy", "management". Strategic management is associated, first of all, with the sequence of decision-making on the choice of a strategy for the development of an industrial enterprise in the long term, taking into account the impact of environmental factors on it [10]. Strategy, in turn, is a decision-making process for choosing a strategic landmark for the operation of an enterprise.

Management is understood as a purposeful impact on the activities of an enterprise. And this influence is carried out by making decisions about the size of the factors of production, about the direction of development (release of new products, use of new materials, technologies, etc.).

The strategic management of an enterprise is understood as an evolving decision-making system, represented by the unity of two logically related control systems: a decision-making system for creating a strategy for an industrial enterprise and a system for the targeted use of this strategy in the process of making informed decisions regarding the direction of its development, as a strategic benchmark, in conditions of uncertainty of influences the external environment with the aim of making a profit from the production or sale of goods, the provision of services, increasing the profitability of production and transferring the enterprise to a state corresponding to the achievement of the goals of functioning and development in the long term.

The research results showed that the process of functioning of an industrial enterprise is characterized by certain features that affect the construction of a strategic management system and, as a consequence, the creation of its tools. One of the most important features is the significant impact of various technological aspects on the structures and processes of management, which distinguishes the company from trade organizations, banks and government agencies. In this regard, enterprises operate in a constantly changing economic environment (for example, the ruin of business partners and the emergence of new ones, a change in the types of products, as well as technologies in connection with the introduction of innovations, etc.). Fluctuations in the process of economic development, crises caused by economic cycles, together with the transition from the

fifth to the sixth technological order, require industrial enterprises to use the synthesis of achievements in such modern areas as bio- and nanotechnology, genetic engineering, thermonuclear energy, etc. [11]. The need to develop and apply science-intensive technologies requires industrial enterprises to focus on constant innovative growth, which causes an increase in the role of intangible assets, an increase in the influence of the creative component in the enterprise management system. Along with this, a modern industrial enterprise needs to increase production efficiency, maximize profits, retain old and conquer new markets, satisfy both the requirements of product consumers and the needs of personnel of its own divisions, and maintain maximum profitability while fulfilling the production plan. These tasks must be solved both at the level of the enterprise as a whole, and at the level of technological sections, divisions, workshops. All this leads to the problem of considering the strategic management of a modern industrial enterprise as a developing system.

3. CONCLUSIONS

Thus, management activity consists of effective solutions. High efficiency of management decisions is achieved through the use of mechanisms, methods and management functions. A decision is a deliberate choice of a person or group of persons, carried out to achieve a set goal. This definition is most often used for household solutions. In business, a decision is perceived and viewed as a process. If the goal is clear to the manager and staff, then the decision-making process is to identify the necessary means and tools to obtain an effective result. Having a goal, means and tools does not make a decision managerial.

REFERENCES

- [1] V. A. Beloganov, Making managerial decisions as a form of mental activity, 21(2) (2020) pp. 681-691.
- [2] D. G. Gainulin, V.V. Voronin, General principles of the formation of a risk management system in the field of economic security, 2018, pp. 154.
- [3] A. S. Garshin, Features of strategic management, 26(3) (2019) pp. 99-102.
- [4] A. Braverman, A. Saulin, Integral assessment of the performance of enterprises, 2019, pp. 108-121.
- [5] M. V. Maksimova, Organization of the execution of managerial decisions, 13(4) (2018) pp. 516-518.
- [6] R. Brailey, S. Myers, Principles of Corporate Finance, 2020, pp. 132.
- [7] A. Voronov, S. Rubanov, Sustainable development of the enterprise as a strategic goal of marketing, 3(2) (2018) pp. 31-37.
- [8] Campbell Scientific Inc., Bowen Ratio system. Instruction manual. Logan, UT USA, 2020, pp. 32
- [9] W. A. Dugas, Micrometeorological and chamber measurements of CO₂ flux from bare soil Agricultural and Forest meteorology, 2018, pp. 115–128.
- [10] A. S. Salamova, The theoretical foundations of institutionalism at the stage of accelerating globalization of international economic relations, 7 (2020) pp. 349-356.