DIAGNOSTICS IN STRATEGIC MANAGEMENT ENTERPRISE

Urgency of the research. One of the most important areas of improvement of enterprise management system is to use a strategic approach that includes identifying long-term objectives, the desired outcomes for competitive advantage in the long run.

Target setting. Theoretical and methodological aspects of the development strategies rationale is an important and topical area of research aimed at the formation of approaches and procedures, the use of which in companies’ practice activities allow them to improve the existing system of strategic management and provide the choice of effective development directions.

Keywords: diagnostics; strategic management; stages of diagnosis of enterprises; strategic gap; corrective actions.

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Actual scientific researches and issues analysis. Researches certify that a lot of attention was devoted to the diagnostics - as a tool of modern management and also as the direction of individual scientific research. The theoretical and methodological bases of financial, economic, anticrisis diagnostics, bankruptcy or crisis condition’s diagnostic of the enterprise were specifically worked out. The diagnostics is considered as the stage of strategic management, as the bases of management decisions, as the tool of activity’s problems identifying, as the evaluation of the enterprise’s condition in the definite period etc.

As an independent direction in the enterprise’s management diagnostics was considered at the scientific works of T. Berdinkova, A. Vartanov, V. Gerasymchuk, M. Kyzyma, Yu. Lysenko, V. Savchuk, R. Sayfulin, Z. Sokolovska, O. Stoyanov, M. Chumachenko, G. Shvydanenko, A. Sheremet etc; as a tool of anticrisis management – at works of E. Altman, I. Ansoff, K. Beyerman, W. Beaver, T. Peters, T. Taffler, P. Belenky, E. Boyko, I. Blank, S. Belyaev, V. Vasilenko, M. Bryukhovetska, L. Lihonenko, I. Sokyrntyska, I. Khoma, O. Jankowski. However, most authors consider the diagnostics of the enterprise’s condition upon the occurrence of crisis or during out of it, as the direction of economic analysis which limits its scope.

As noted, the diagnostic is viewed from different perspectives and interpretations of ambiguous. Scientists-economists treat the diagnosis as:
- way to establish the nature of the violations, identify critical events and phenomena bankruptcy of financial and economic security (L. Lihonenko [1], I. Thomas [2], A. Miller [3]);
- direction of economic analysis that can detect the nature of the violation of the normal course of economic processes in the enterprise (G. Savitskaya [4]);
- research that can not only comprehensively assess the state of the object under conditions of incomplete information and detect problems of its operation, outline solutions, including fluctuations in the system settings (IP Sokyrntsi [5]);
- the stage of strategic management. (L. Hevlych [6]).

Some scientists are identifying the diagnostic with economic or financial analysis, assessment of financial condition when they are describing it definition.

Uninvestigated parts of general matters defining. Analysis of the literature showed that, despite the significant results of scientific research in the above mentioned works, have not found the proper display of the use diagnostics in strategic management, which determines the relevance of research and its practical value.

The research objective. The article is a study of theoretical and methodological provisions for diagnostic use in strategic management at the stages of study and implementation of the development strategy. The main objectives of the study are: determining the content of the diagnostic study of the principles, functions, features and diagnostic steps in the strategic management of the company.

The statement of basic materials. Synthesis above the definitions and use of a process approach allows you to install the following components diagnosis: identify and study the basic performance of the company, analysis of the impact of internal and external factors on its state enterprises, evaluating the strength of their influence, identify deviations from the desired state, develop measures to overcome these deviations, ahead of the adoption of administrative measures to prevent new problems and improve the efficiency of enterprise management system [7].

Underlying these developments we can say that methodical approaches to definition (analysis, evaluation) state on the basis of individual systems or indicators (status indicators). Most indicators reveal adverse change in the financial or financial-economic situation. However, in time when these changes are caused by internal factors a consequence of many or few management errors in different areas of the company. Research has shown that often - a strategic error nature, consequently ignore basic aspects of strategic management: Not defined mission; not set the strategic goal of the term; unclear, unintelligible to all staff (and even for top management) purposes; lack of strategy; use items not planning system; formal management control; lack of monitoring and analyzing the strategic environment of the company as external, often predictable threats escalate in force majeure.

So the problem is actualized using tools such as strategic management strategic monitoring and analysis of the strategic environment (external, direct or intermediate, internal), diagnosis condition. In
our opinion, these tools are not a substitute for one another, are self-contained elements and stages of management: monitoring provides a data analysis of the strategic environment, the results of which, together with the previously established objectives (standards desired performance), provide diagnostics of the enterprise (fig. 1). The strategic nature of these positions due to the fact that the company as an open system operates in a rapidly changing hostile environments that require understanding and consideration of the processes that occur there, the nature and intensity of exposure, taking into account these impacts in management decisions. For this it is important that diagnosis of the enterprise used not only to determine the strategic gaps in substantiating development strategy or determining whether the threat of bankruptcy as a reactive tool of crisis management, but also a preventive tool in the implementation of the strategy.

Fig. 1. The place of diagnostics in the strategic management process

The main arguments for using this tool are: uncertainty, dynamic environment on the one hand, and the ability to predict changes on the other; different intensity of exposure the threats of the external environment and the availability of opportunities, the loss of which could adversely affect the results of the company (the loss of competitive advantage now, these opportunities competitor), and consequently – the need for identification and assessment; contradiction, antagonism and often current and future interests of the company, which requires informed management decisions and setting priorities; cyclical nature of the enterprise, as well as all phases of its development forecast, largely driven because of the results depend on the timely recognition and response, as time lapses can lead to unmanageable processes and ineffectiveness corrective measures; chain character of the enterprise as a system because a failure in one system element can spread to others or to cover the entire system; often latent dependency management system of enterprise strategic environment changes, requiring the maintenance of its flexibility, mobility and adapting to change.

Diagnostic as a kind of practice provides a set of formal procedures to determine the actual condition of the company, the formation of its future state model and identify strategic gap (gaps). Therefore, the diagnostic of a subject, object, object, defined development goals, a set of appropriate methods, indicators, models and scenarios (strategic alternatives) able to realize its goals.

The object of diagnosis is the strategic environment of the enterprise.

Actors of the diagnostic are managers, professionals who have the knowledge, endowed with specific competencies and resources to prepare management decisions and implement targeted actions to study and implement the strategy of the company.

The subject is: 1) set of factors that reveal the strengths and weaknesses of the internal environment, opportunities and threats of the external environment for the selection strategy for further development; 2) symptoms, manifestations of an imbalance, threats to the achievement of the objectives during implementation strategy.
Diagnostic as an activity must be based on the following principles: commitment (in particular – focus on identifying strategic issues, opportunities of goals with the company, the presence or availability of the necessary resources to achieve them); adaptability (the ability to take into account changes in the environment and adapt them to improve competitiveness, efficiency of operation); of multiple (different approaches, methods and metrics to ensure maximum reliability of the results); minimizing risk, determining the preventive nature of the instrument, study the causes of destructive phenomena; ordering (using a common methodology of research in strategic management); constant readiness to respond, which provides that the balance of the enterprise is changing as a permanent response to external displays will strengthen the position of the company; the adequacy of the response on the measure real threat of balance, the use of mechanisms of neutralization of threats by identifying their real level.

Depending on the task set of principles diagnostics can expand as it relates not only to the assessment of the enterprise, but also the definition of potential development.

Diagnostic performs the following functions: identification of the actual situation of the company, establishing discrepancies desired state; the choice of instruments, the use of which will be the optimal selection of groups of indicators and indicators of strategic environment; modeling the desired state, ways of its achievement, implementation of control measures to ensure the effectiveness of measures and corrective actions.

To perform these functions the following approaches should be used in the diagnostic: integrative that will ensure the integration of diagnostic’s components and the formation of integrated indicators that comprehensively describe the state of the company and its environment; the systemic that provides mutual consideration of all components of the strategic environment of the company and the ability of its management system to adequately respond to them (subject-object approach); target as a basis for developing standards (standards) that meet the strategic objectives of the company to a strategic perspective, the basis for internal coordination and timely organizational changes in the management of the company; hierarchical, allowing diagnosis to consider as one of the essential stages of strategic management; functional, which provides distribution of core activities, work, business processes, responsibilities and powers.

Thus, in contrast to the classical approach when the diagnosis of the enterprise strategy used to justify (let's call this Diagnostic I), it should be used at the stage of implementation of the strategy (Diagnostic II).

In the first case, based on the concept of enterprise development and pre-set targets or ideal model of the enterprise in the strategic period determined performance-standards (performance standards) used for comparison with actual. In fact, a comparison allows the identification of state enterprises by identifying strategic gaps (absolute deviations and deviations of) the strengths and weaknesses of the internal environment, opportunities and threats to its external environment. These stages 1-5 (Fig. 1) is the basis for identifying alternative strategies and selection of the final development strategy.

Summary of the practical aspects of management activities allow to conclude that the diagnosis is:
- a means of obtaining reliable information on the state of the company, its real possibilities for a term;
- the basis for management decisions on the choice of strategies;
- tool to identify causal relationships between environmental factors of strategic enterprises, which have affected the current results of operations;
- based simulation of the enterprise.

Diagnostic and includes diagnostic potential of enterprise competitiveness diagnostic, diagnostic threat of bankruptcy, corporate culture diagnostic [10].

Diagnostic procedure and involves four stages:
1) stage collecting the necessary information about the current state of the enterprise: definition of the main objectives of the study, its movements, components, depth and limits; range of sources and methods of processing; Scorecard study to assess the condition of the company; the elaboration of criteria informative indicators of the state of the company; search for information, its systematization;
development of methods of diagnostics of the enterprise; analysis and processing, which can
determine the possibility of a positive and negative impact on the company in a strategic perspective;
analysis of internal and external factors on the company, evaluating the strength of their influence;

2) determine the desired phase model of the future state of the company, to develop a method of
forming norms (standards baseline) desired state; construction of an ideal (desired) model of the
enterprise in accordance with pre-established goals and objectives; definition of permissible deviations
from the baseline;

3) proper diagnostic of the enterprise, identify inconsistencies (strategic gaps) and the reasons that
cause it; study of factors influence and connections between them; identification of the enterprise;

4) consideration of possible states or scenarios (strategic alternatives).
The last stage can be seen as separate, but the use of matrix methods of diagnosis allows not only
to identify the position of the company, but also to obtain the relevant state this strategy.

Essence II diagnostic is promptly recognizing destabilizing processes during implementation of the
strategy, because involves assessment of the effectiveness and stability of the company, a
prerequisite ahead of decision-making and application of corrective actions to eliminate the causes of
problems and to prevent similar problems in the future. It is a tool of preventive research undertaken to
prevent critical changes in the activities on stage of the strategy.

Diagnostic II is based on specified norms or standards after the implementation phases 5-9 in
strategic control (fig. 1). In this case, the rules are compared with current rates for detection of
abnormalities and timely application of corrective measures to ensure implementation of strategic
plans, to achieve their goals, to realize the goal, to ensure that the adopted mission.

II diagnostic procedure involves the following steps: formation of strategic control using diagnostic
apparatus; clarification (adaptation) diagnostic methods for use at this stage of strategic management;
identifying areas relevant areas and groups of indicators for diagnosis; to identify abnormalities;
rationale for corrective action; development activities (corrective action) to overcome deviations;
the elimination of the causes of negative results and prevent similar problems in the future; ahead of the
adoption of administrative measures to prevent new problems and increase the efficiency of business
management in general.

Conclusions. Thus, the objectives of the enterprise in the strategic period is largely dependent on
the correctness of the chosen strategy, the effectiveness of its implementation. At the stage of study
strategies is important, on the one hand, choose the right approach, information sources, methods of
treatment and identification of the enterprise, on the other – to form a real promising development
model to determine the gaps and strategic choice of the final strategy. At the stage of strategy
implementation is important to promptly detect threats (unwanted changes) in the external
environment of the enterprise and the turmoil of the internal environment (deviation from plans).
This is achieved through the use of the second diagnosis for early warning and response through corrective
actions, development of measures to prevent negative changes. It is helpful to pay attention to identify
internal and external threats, their scale.

Studies conducted by the author, make it possible to conclude that the diagnosis of the company
should be used as a preventive instrument of permanent action, no matter how successfully operating
company and at what stage of development it is. Thus, diagnosis is an effective tool in the strategic
management system that lets you justify development strategy and identify adverse events during its
implementation. Prospects for further research are as justification species and appropriate diagnostic
techniques for use in study and implementation stages of the development strategy.
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