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FORMATION OF A SMALL BUSINESS DEVELOPMENT STRATEGY

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One of the key tasks in the activity of any enterprise is the formation of an effective development strategy. This means ensuring the competitive advantages of the enterprise as a whole, and the products and services produced by it, as well as the stable position of the current market situation. It should be noted that today the external environment is characterized by a high degree of uncertainty and instability: stagnation is observed in many sectors of the economy, the purchasing power of consumers decreases, almost all project activities are associated with a high degree of risk [1, p. 85]. Therefore, in the process of forming a strategy, all kinds of factors that affect business both positively and negatively should be analyzed.

There is an opinion that due to its small scale, a small business cannot have a development strategy, since its activity is determined by very specific conditions and a limited period of existence. This is not the case, any small business in the presence of competitive advantages and regular customers can count on a long-term stay on the market, and strategic planning for such enterprises in this case is as relevant as for a medium or large business.

Strategic management of small business enterprises has its own characteristics, let's consider the main ones:

1. Strategic planning of the activities of a small enterprise for the long term is possible only if there is a stable situation on the market. Nowadays, this is practically unreal due to the constant changes taking place in both local and global markets, which directly affects business activities at any

level. Therefore, the development strategy has to be developed for the medium and short term, while the key to success is the most accurate forecasting of the development of the situation.

2. The size and organizational structure of the enterprise often do not allow maintaining an analytical department whose duties include constant monitoring of the state of the environment. However, such data are necessary, they allow you to choose the right direction of development, which directly depends on the competitiveness of the organization, its position on the market, the ability to minimize the risks accompanying any commercial activity.

One of the important aspects here is the analysis of competitors, it allows you to predict their actions, differentiate your own products or services and reduce the level of competitive pressure on business. Solving this problem usually considers the experience of the head of a small enterprise, who can predict the actions of competitors. However, such a decision is regularly intuitive, and the success of a business is entirely determined by the human factor.

3. Not all standard, practically proven development strategies are suitable for a small enterprise. This is due to the fact that most of them are of a global nature and its implementation is impossible under the conditions of a small market segment. It is necessary to clearly imagine what resource base a small business should have to implement the chosen strategy and how effective it would be. The question of ensuring competitiveness as a key factor in the sustainability of the enterprise is also relevant. Only the presence of a niche in the market and regular customers will allow a small business to count on a stable profit and, accordingly, guarantee solvency and profitability.

4. When forming a development strategy, a small enterprise has no right to make a mistake, because it can cause its complete destruction.

A modern small business enterprise must be able to develop and function in the conditions of a rapidly changing market situation, build a flexible management system, maintain its position in the market, and produce a product or service stably. When creating a development plan, it is also necessary to foresee certain alternatives that can be implemented in case of sharp changes in the market segment: consumer preferences, competitor strategies, etc.

5. The development strategy of a small enterprise should always be able to ensure concentrated growth. It can consist in the development of a product or service, which is extremely relevant, especially in a period of reduced consumer activity. These can be additional services, a change

in functionality or product packaging, the appearance of new options [2, p. 75]. All this will help to expand the assortment and make the product interesting for a larger number of consumers. It is also possible to enter new market segments with the product (service), which will increase the demand and popularity of the product. Naturally, when implementing these strategies, it is necessary to remember to ensure competitive advantages, otherwise attracting potential consumers and positioning the product (service) above the market can cause significant difficulties.

In order to build an optimal development strategy, it is necessary, consider all the listed features, to imagine a certain algorithm of formation, which in particular takes into account the influence of various external factors. In other words, it is necessary to consider environmental factors of different levels, both positively and negatively affecting a small enterprise.

At the first stage, it is necessary to collect information on state support measures for small and medium-sized businesses, the government's attitude to various regions and industries. It is possible to cite an example of the formation in Ukraine of territories of anticipatory socio-economic development, which give preferences for business development.

In the current market situation, it is important to remember the possibility of a worsening of the political situation, which inevitably leads to the closure of sales markets, the withdrawal of many partner companies from the market, the disappearance of imported raw materials and components used in the production of goods and services, which especially affects the small and medium business [3, p. 47]. Such information will help the entrepreneur choose a region where state support is possible, if it corresponds to long-term development plans.

At the second stage, it is necessary to choose a product or service, the production and implementation of which will be relevant. Complete and comprehensive information is needed here, both about consumers of a given geographic market segment and competitors whose business is related to the same areas. This will allow you to find a niche in the market that is not occupied or not completely occupied by competitors. At the same time, it is necessary to have data on the market and the share of direct competitors.

Research of market needs is necessary, without this it is impossible to ensure competitiveness, attract consumers of sustainable development of the company in the selected target segment. Of course, any marketing research requires significant costs, so their implementation is often simply impossible for a small business. However, on the other hand, if the purpose of the research is clearly formulated, and they are targeted, the obtained

results will allow avoiding errors in positioning the product above the market and choosing a development strategy [5, p. 53]. The company needs to make a clear distinction between consumers and buyers, which will allow providing the product or service with the necessary characteristics.

The third stage involves monitoring the technological and innovative components of the environment [4, p. 380], since the use of modern materials, equipment, information technologies and software in production allow ensuring the necessary level of development and quality of goods and services, make them interesting for consumers, and reduce production costs.

Thus, the proposed approach to the formation of the strategy of a small enterprise will allow choosing the direction of development that is relevant at the moment and to strengthen its position in the market.

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