

The Main Features of Strategy Formation for Sustainable Companies Development in Economical Crisis Conditions

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Abstract: Recently, in the economic literature of particular interest are the aspects of sustainable enterprise development. At the macro level this concept means the continuous development, providing needs without compromising the needs of future generations. At the micro level, the sustainable development is interpreted in different ways. Stability was investigated in many works of economists such as GZ Scherbakovsky, MN Nechepurenko, ZV Korobkov VP Fofanov, YM Kiselev, VF Komarov. The object of this study is the economic stability of the enterprise. This study, discusses the modern vision of sustainable enterprise development. The main objectives are the following: to determine the basic criteria of sustainable development; to identify factors, influencing on the stability of the enterprise; to systematize the important approaches to the content of the category of “sustainable development” of the enterprise and to highlight the importance of its components. During the investigation of the problem of sustainable enterprise development we used the methods of logical analysis, synthesis, generalization, inductive methods of establishing causal relationships. A matrix “tactics-strategy” which allows to interpret the path of sustainable development based on tactical and strategic objectives. A systematic approach to defining the sustainable enterprise development. The company activities. It has concluded that the management of sustainable organization development is a set of actions which are mutually interconnected. A large number of treatments used to confirm the relevance and significance of the problem. In order to achieve the greatest social and economic benefit and to get the opportunity to move to a new qualitative state needs to develop a set of measures for the management of sustainable enterprise development. In addition, it concluded that the concept of “sustainable development” includes a plurality of categories such as social, financial, investment and others.

Key words: Crisis, sustainable development, strategy, tactics, stability, financial

INTRODUCTION

The history of the world economy development shows that financial and economic crisis's almost always occur suddenly, catching by surprise the government, households, small and big business (Nikeshin, 1996). The need to find and implement new management practices in crisis today has experienced virtually every company in Russia. The need to find an adequate and efficient solution which will dramatically reduce costs, reduce the likelihood of bankruptcy while maintaining conditions for rapid recovery in the post-crisis period (Kiselev, 2006; Korobkova, 2005; Dugel'nyj and Komarov, 2007; Fofanov, 2006; Nechepurenko, 2006; Shherbakovskij, 2003).

Operational measures applied in a rapidly changing market economy, allow to get rid of problems sometimes and to maintain relatively stable enterprise position

but do not change the situation dramatically. This raises the question of the review of the strategic management goals and objectives, regardless of size and industry enterprises. They have continuously refined and improved in accordance with the requirements of the changing economic situation. In unstable conditions, particular importance attaches to the process of the formation of the sustainable development strategies of enterprises in crisis conditions (Merzlikina, 1997).

Recently, many economists are paying close attention to the problems of sustainable development. Nevertheless, many questions remain open yet in particular, there is no consensus in the view definition of “sustainable development” of the enterprise as well as the correct application of the dynamic systems concepts. The basic contradiction lies in the fact that this definition consists of two words “sustainability” and “development” while many researchers consider them

mutually exclusive. For example, N.N. Moiseev and Cai E.I. noted that sustainable development cannot exist because development (dynamic) stability (constancy) (Davydova and Timofeeva, 2000).

Considering the gnoseology notion of “sustainable development”, it should emphasize that many domestic economists have repeatedly noted the inaccuracy of Russian translation of the definition. In English, it reflected a better expression “sustainable development” which literally means, “supporting life manifestations”, the international commission of the United Nations Wednesday and development (WCED), 1987, specifically introduced the term.

Great Soviet encyclopedia treats the notion of “sustainability” as automatic control system’s ability to function normally and to resist various inevitable effects (influences). The condition is considered stable if deviation from it is arbitrarily small in any sufficiently small input signals changes (Abalkin, 1973). You can also find similar in value the notion of “balance” which is defined as the equilibrium of a mechanical system steadily when a small perturbation (offset, clean and jerk) point system throughout the subsequent time slightly deviate from their permanent positions otherwise, the balance is considered fragile. It is not difficult to notice that the semantic values of these terms are very close.

MATERIALS AND METHODS

According to Fijian Monolingual Ozhegov’s dictionary under development can be understood as “the process of regular changes, moving from one condition to another, better; the transition from the old to the new quality from simple to complex from lowest to highest”.

From the above we can conclude: synthesis of concepts which forms the phrase “sustainable development” is characterized by a dialectical opposition

(Bagrinovskij, 1993). However, the combination is incompatible in our case, leads to a completely new State-equilibrium. Therefore, sustainable development can be understood as a continuous system change that leads to radically new conditions, providing permanence, stability and balance.

At the moment, there is no unified approach to the definition of “sustainable development”, moreover this term has many definitions and as noted out by A.D. Ursul “they would be even more as there has been a process of understanding the future development which is in principle not clear-cut and multivariate” (Ursul, 2005). Lack of consensus results in the need for analysis of multiple data sources definitions of this notion. For example, Merzlikin G.S. believes that sustainable development of the enterprise is a condition of equilibrium of the firm which implies its adaptability to changes in external Wednesday (Novakova, 2007) while in A.V. Kaspirov sure that resistance unfaithfully reflects the economic indicators of the company (Kaspirov, 2001). All the definitions differ in emphasis on certain factors. To represent them better will reflect the significant items in Table 1.

From Table 1, it follows that the main determinants of sustainable development are: the reaction of enterprises to external impact, enterprise performance indicators, financial sustainability, innovation, competent management and production capabilities. All these points to a greater or lesser extent define the persistence but only the synthesis of these factors can provide a stable growth, balance and sustainability of the enterprise as a whole.

Thus, the category of “sustainable development” does not have any particular standing and only determinations. More often than not when interpreted is meant the lots of different characteristics combination which differ in thrust and content.

Table 1: The most significant factors determining sustainable development

| Researchers | Response to external forcing | Innovation | Indicators of the enterprise efficiency | Competent management | Financial sustainability | Production potential |
|----------------------|------------------------------|------------|---|----------------------|--------------------------|----------------------|
| A.G. Koryak | + | | | | | |
| A.V. Volkov | | | | + | | |
| A.D. Sheremet | | | | | + | |
| R.A. Shepel | | + | | | | |
| O. Mikhalyov | + | | | | | |
| G.V. Savitskaya | | | | | + | |
| E.N. Kucheroва | | | + | | | |
| M.A. Fedotova | + | | | | | |
| A.V. Sidorin | | | + | | | |
| M.K. Aristarkhova | | + | | | | |
| G. S. Merzlikina | + | | | | | |
| I.A. Litvinenko | | | | | | + |
| A.V. Sevastyanova | | | | | + | |
| A.V. Kaspirov (2001) | | | + | | | |
| Researchers study | | | | | | |

RESULTS AND DISCUSSION

It is possible, taking into account the factors listed in Table 2 to offer a graphical interpretation of sustainable development based on tactical and strategic goals:

Quadrant “diversification” implies the existence of innovations and a significant production enterprise’s capacity. Production of new products, alteration, change of technologies and activities can fully ensure the sustainable development of the company.

Balanced Scorecard (BSC) characterizes the stability that is maintained between short-term and long-term objectives, financial and non-financial indicators as well as external and internal factors activities. In this case, the main parameters are the competent management and response to external forcing of the enterprise.

Price breakthrough strategy is pricing at a lower level than, according to shoppers, product deserves has an economic value and profit maximization by increasing the size of the sales and capture greater market share. The important factor here is the efficiency of the enterprise as a whole which is determined by the profitability, turnover, etc.

Finally, the strategy of “maneuvering” financial sustainability of the enterprise can be saved with the help of State support, perform public contracts. In such circumstances, the company may well stay afloat even in a time of crisis.

Analyzing the works of domestic and Foreign economists we can select multiple approaches to the content of the category “sustainable development”.

A number of authors examines the sustainability of the Organization as the relative immutability of the most important parameters, i.e., its ability to change over time. Such an approach towards sustainability of the organization focuses on internal stability, the influence of external factors on it counted slightly which can be considered as a drawback the approach (Sokolov, 2001).

At the same time, other researchers focus on the external sustainability of the organization. In their view, the sustainability of the organization is such condition of dynamic equilibrium in time when the greatest external Wednesday impact or higher-level systems absorbed self-regulatory mechanism of the organization and as a result gives the opportunity not to lose its most important quality characteristics within certain limits.

In addition, the researchers found that stability of the organization is its condition, able over time to maintain performance permitted limits even when external conditions do not give current activities remain cost-effective. In this case, the sustainability of the

Table 2: Graphical interpretation of sustainable development tactics

| No. of goals | There are objective/Strategy |
|--|---|
| Diversification (distribution of economic activities on new areas; the transition to new technologies, markets and industries) | Management based on Balanced Score Card (BSC) (if you want to link the operational activity of the company with its strategy) |
| Maneuvering (frequent changes of policies, the absence of the project activity, innovation, support from the state) | Price breakthrough strategy (pricing low and getting great profits by increasing sales volume) |
| Researchers | |

organization is not constancy as a lack of significant changes and the effectiveness, efficiency and reliability of the work of the organization as a system phenomenon.

R. Solow has proposed its model that allows you to describe the mechanism of long-term economic growth; it allocates technical progress as the only basis for sustainable development and defines sustainability as a dynamic equilibrium stability (Sidorovich, 2001). Sheremet (2006) equate stability with financial condition.

Different approaches to the content of the category “resistance organizations” require analysis and synthesis, the results of which we present in Table 3.

Because the enterprise is studied as an open economic and social system, subjected to the effects of external Wednesday, it can be concluded that the economic sustainability of the organization is formed both by internal and external sustainability.

We believe that the internal resistance is the proportionality of all parts of an industrial enterprise which is provided by the positive dynamics of the most significant indicators of financial and economic performance and expanded reproduction (Chuprov, 2004).

External sustainability of the organization constitutes a conflict-free interaction with the external environment which includes consumers, competitors and suppliers. The survival of the enterprises in conditions of uncertainty defines generated strategies focused on projected changes.

Thus, the management of sustainable development is a complex of actions which are mutually interlinked and focus to achieve the greatest socio-economic effect and to get the opportunity to go to a new better condition through the development and management of relationships with internal and external environment.

After the analysis of the studied approaches to the content of the concept of “organization” we can draw the following conclusion.

A large variety of earlier interpretations allows you to confirm the validity of this problem in a number of scientific and practical application and requires associations and a thorough analysis of existing achievements.

Table 3: Approaches to the content of the category “resistance organizations”

| The essence of the approach | Supporters |
|--|--|
| Sustainability of the organization as a stable, reliable and robust system | L.I. Abalkin, D.V. Gordienko, T.M. Konoplyanik |
| Sustainability of the organization as the ability to remain within a certain time (parameters remain relatively unchanged) | A.L. Gaponenko, B.D. Kalashnikov, In Kyiv |
| Sustainability of the organization as the ability to sustain earnings at a certain level (theory of profit maximization) | D. Keynes, A. Marshall, A. Smith |
| Sustainability of the organization as the ability to retain its status in balance in terms of external changing Wednesday | I. Bryantseva, G. Nerses Yeritsyan, L.N. Khramova |
| Sustainability of the organization as dynamic stability of equilibrium | E.S. Bodrjashov, Merzlikin, L.N. Shakhovskaya, R. Solow |
| Sustainability of the organization as the ability to retain a balance between all the major parameters, establish linkages and support them at a certain level | I. Bogdanov, V. Komienko, S.N. Nikeshin |
| Sustainability of the organization as a complex of properties of all the major activities of the enterprise | V. Loginov, A.T. Cheblokov |
| Sustainability of the organization as financial sustainability | B.D. Karnaev, B.A. Rayzberg, A.D. Seremet, J.A. Schumpeter |
| Researchers study | |

Sustainable development is a multifaceted concept that combines multiple categories such as financial, investment, social, etc., establishes a relationship with internal and external factors.

CONCLUSION

There are two directions in approach's analysis to sustainable development content: static (discusses the results of enterprise activity) and dynamic (seen from the standpoint of internal and external processes leaking).

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