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Educational and Research Institute “Karazin Business School”

Department of Management and Administration

**MASTER'S QUALIFICATION WORK**

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ORGANIZATION»

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## MINISTRY OF EDUCATION AND SCIENCE OF UKRAINE

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October 17, 2023**TASK****TO MASTER THESIS**

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Section 2. Intelligent technology company strategic management analysis

Section 3. Development of CIT corporate strategy and ways of its implementation

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№	Stages of work
1	Approval of the thesis content
2	Preparation of the thesis' first section
3	Completion of the first section according to the supervisor recommendations. Writing the thesis' second section
4	Completing of the second section according2 to the supervisor recommendations. Preparation of the thesis' third section
5	Completing of the third section according to the supervisor recommendations.
6	Writing of the introduction, conclusions of the thesis. Making references list
7	Submission of the thesis to the Department of Management and Administration

#### 5. Date of assignment issue October 17, 2023

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## INTRODUCTION

Relevance. The relevance of strategic planning in the modern business environment is undeniable, as it plays a key role in determining the long-term direction of the company's development, setting priorities and allocating resources. In an era of globalization and rapid technological change, the ability to adapt and flexibly respond to external challenges is becoming crucial for the survival and success of enterprises. Strategic planning is diverse: from the creation of broad corporate strategies to the development of specific functional plans, such as marketing strategies or IT infrastructure development plans.

This topic is important for research, because understanding the basics of strategic planning and its effective implementation can significantly improve management efficiency, profitability and competitiveness of the enterprise. The study of strategic planning includes the analysis of theoretical approaches, methods and practices that have been developed and successfully applied by famous scientists and leading companies in the world.

Among them M. Porter, I. Ansoff, P. Drucker, Chandler A. D., Johnson G., Karlof B., Mintzberg H., Quinn J. B. , and many other scientists.

However, despite the significant contribution of scientists to solving issues of strategic planning at the enterprise, the issue of strategic planning at small enterprises working in the IT sphere remains relevant.

The purpose of the master's thesis is to form a company's corporate strategy based on the example of CIT LLC.

To achieve the goal, the following tasks were performed:

- to systematize theoretical and methodological approaches to the process of strategy formation at the enterprise;
- characterize the economic activity of CIT LLC;
- identify key aspects of the strategic management system at the CIT LLC enterprise;

- identify the factors of the internal and external environment of the organization that affect the strategic position of CIT LLC;
- identify the main strategic directions of the company's development;
- develop a company corporate strategy.

The object of the research is the process of strategic management of the company.

The subject of the thesis is company's corporate strategy.

Research methods. To achieve the goal, the following research methods were used in the work: logical-dialectical - to reveal the theoretical foundations of strategic planning; structural and logical - to generalize the study of strategic management of CIT LLC; statistical and economic analysis - to study the development indicators of the CIT LLC company; comparison and analysis of empirical data - for setting the research task and studying the research object; logical generalization - to justify the need to clarify the scientific concepts of the subject area of strategic planning.

The theoretical and information base of the research was the works of domestic and Western scientists, scientific publications in periodicals, primary and secondary information from the CIT LLC company.

The practical significance of forming the company's development strategy CIT LLC, the company's development strategy was formed, which is planned to be implemented in the real activities of the company.

The structure and content of the qualification work correspond to the tasks and consists of an introduction, three sections, conclusions and a list of used sources. The total volume of the work is 81 pages. computer text. The work contains 16 tables, 4 figures. The list of sources includes 86 items.

Approbation of research. The practical value of the work lies in the implementation of the proposed recommendations and work results in the activities of the CIT LLC company.

## SECTION 1

### THEORETICAL BASIS OF SELECTION AND FORMATION OF STRATEGY AT THE ENTERPRISE

#### **1.1 Definition of the concept and essence of strategy**

The word strategy is derived from two ancient Greek words - "stratos" - "army" and "agos" - "I rule". That is, at the beginning of the emergence of this term, it was used as the art or science of conducting military affairs. Only at the beginning of the 60s of the XX century. this term began to be mentioned in the field of management [37].

Currently, there is no single definition of the term "strategy" in the modern world. Depending on the specifics of the enterprise's activities, the meaning of the term "strategy" and even the strategic actions of these enterprises may differ from those established, for example, by the company's charter.

Having analyzed the already existing body of literature on management, strategic management and management, it is possible to single out ten schools that interpret the definition of "strategy" from their own point of view. Most of them have found their supporters in practical management, but these definitions themselves are limited and sometimes distorted. Table 1.1 below provides a list of schools and definitions that provide a brief assessment of their proponents' vision of the strategic process, focusing on their values and narrow views.

Thus, to date, there are a large number of definitions of strategy that interpret this concept depending on the object and subject of their research in relation to a specific situation, which is evidence of significant attention to this term.

Table 1.1 - Scientific schools and definitions of the strategic process

No	School	Definition
1	School of planning	Strategy formation as a formal process
2	School of positioning	Strategy formation as an analytical process
3	School of entrepreneurship	Strategy formation as a forecasting process
4	School of design	Strategy formation as a process of understanding
5	School of culture	Strategy formation as a collective process
6	School of learning	Strategy formation as a developing process
7	School to the government	Strategy formation as a negotiation process
8	Outdoor environment school	Strategy formation as a reactive process
9	Configuration school	Strategy formation as a process of transformation
10	Cognitive school	Strategy formation as a mental process

*Source: developed by the author based on [36, 37]*

Many authoritative scientists have expressed their own vision of the definition of "strategy" and they all differ in content. All statements regarding the concept of "strategy" are united by the generally accepted opinion that in the conditions of growing globalization processes, growing competition and increasing influence of TNCs, strategic management of an enterprise is an integral, mandatory component of the development and management of an enterprise in any country with a market economy [1].

Considering already existing strategic concepts, it is possible to single out some approaches to defining the essence of the strategy, which are presented below in the form of table 1.2.

Therefore, "strategy" is a set of resources and skills of the organization, on the one hand, and opportunities and risks that the external environment carries, on the other hand, which are oriented towards the future perspective in which the organization intends to achieve the set goals and objectives [48].

Table 1.2 - Definition of the essence of the concept of "strategy" in the understanding of foreign and domestic authors

№ n/p	Approach	Author	Definition of strategy
1.	2.	3.	4.
1	Classic	A. Chandler	Strategy is the definition of the main long-term goals and guidelines of the enterprise, the determination of the course of action and the allocation of resources necessary for their achievement [12].
2	Classic	B. Karloff	Strategy is a generalizing model of actions necessary to achieve set goals through coordination and distribution of company resources [47].
3	Classic	J. Quinn	A strategy is a plan that integrates the main organizational goals, policies and actions that can be combined into a single whole [5].
4	Conceptual	M. Porter	Strategy is an analysis of internal processes and interactions between by different components of the organization in order to determine how and where value is added; strategy is the positioning of the organization in relation to industry environment [57].
5	Conceptual	G. Mintzberg	Strategy is not only a plan, but also a complex of decisions and actions, which is not a sequence of execution of the planned, but the exact opposite of this, which is the starting point [36].
6	Conceptual	I. Ansoff	Strategy is a set of rules for decision-making in order to ensure sustainable growth and development of the enterprise[51]
7	Complex	J. Johnson	Strategy is the direction and scope of actions in the long-term plan, which, regardless of the variability of the external environment, leads the organization to the expected achievements.[24]

*Source: Developed by the author based on the references indicated in the text of the table*

Since the concept of "strategy", as already discussed earlier, has many meanings depending on the tasks, it is possible to give this concept the following recognitions that will fully reveal its essence:

- an integrated set of actions designed to create sustainable advantages over competitors [48];
- a combination of methods of competition and business organization, focused on meeting customer needs and achieving organizational goals [48].

Thus, based on the definition of the essence of the strategy, we conclude that today there is a certain ambiguity and uncertainty of this term. This opinion is a consequence of the fact that:

- most often, the actual process of strategy development is inconsistent with the real process of implementation. The strategic plan is developed with an

orientation to the future, while the implementation itself takes place in real time of the current period [20];

- each specific firm or enterprise must develop its own strategy, which, depending on its characteristic features, will have significant differences and tasks [20];

- mostly, enterprise strategies are developed as a means of conducting competitive struggle, and not as a natural phenomenon, where changes are a logical reflection of enterprise activity in connection with environmental changes [20];

- the company's strategy must be continuously developed and edited. In today's changing conditions, there will always be something to change, something to react to, and as a result, new opportunities and new strategic niches and goals may open up [20].

Strategic management is a complex process that helps to formulate and implement such strategies that help to establish relationships within the organization, including all its divisions and the external environment, as well as the achievement of the organization's strategic goals. To navigate between different strategies of strategic management, different classifications of strategies are used to organize them into an integrated system and create a common language for managers and to understand their essence [61].

## **1.2 Classification of strategies**

Let's begin the consideration of strategy classifications with the classification by company level.

Management strategies by management levels are divided into general corporate, business strategies and functional strategies. Taking into account the intensive development of the processes of decentralization and self-organization in modern organizations, it is necessary to take into account the strategies for the

development of teams, as well as groups and employees, on which the success of the development and implementation of strategic plans depends [12].

According to the levels of the company's hierarchical structure, all strategies are divided into four groups (Fig. 1.1.) [19]:

- 1) the main strategy (the company's strategy as a whole);
- 2) strategies for business units or strategies at the business level (SBO - strategic business unit);
- 3) functional strategies, they are also called provision;
- 4) strategies for teams, work groups and employees [19].

Let's consider the main (corporate) strategy in more detail. This strategy describes the development of the organization as a whole, it is developed by senior managers who bear the primary responsibility for analyzing messages and recommendations from lower management leaders.

An organization can maintain its integrity and develop successfully only if it has an effective core strategy. It describes general data about the company's development, for example, total profit, total sales volume, financial efficiency, quality of advertising company, technological innovation, etc.

The company's strategy should always combine a planned and thought-out line of behavior, as well as the ability to respond to unexpected changes.

The core strategy should also provide synergy effects. The law of synergy (synergistic effect) is that the effect of the interaction of several elements exceeds the total effect of each of them separately. In fact, the law of synergy can be used in almost all areas of human life, from solving everyday problems to global life goals [65].

Developing this strategy is the most difficult task of strategic management. It is necessary to determine the combination and scope of activities, create a so-called portfolio of enterprises, select markets, determine key priorities, formulate a key ideology, select and place managers in key positions [11].

As for strategies for business areas or strategies for business units, these strategies are developed when the company has independent types of enterprises and

autonomous or semi-autonomous strategic business units. A business unit is a unit of a company that carries out a full cycle of marketing, production, sales, and in some cases research and development [11]. Business units have greater independence – their managers independently determine production and pricing strategies, sales, promotion and recruitment strategies, as well as production development strategies. In different companies, restrictions may be imposed on certain decisions of SBO managers. In general, SBO is a company within a company, but even under conditions of maximum autonomy, such restrictions on its independent decisions must be observed [11]. SBOs cannot independently:

- change the type of activity, production profile;
- sell equipment and technologies;
- take loans more than the limits established in the companies (for example, the volume is more than 15% of the total value of the assets of the SBO);
- dismiss the head of the SBO and key managers.

The development strategy of each SBO should also be developed taking into account the main strategy of the company.

Functional strategies are the third group of strategies according to the levels of the company's hierarchical structure. The purpose of these strategies is to ensure the implementation of the strategies of business units and the company as a whole, [12]. When they are developed, the general corporate tasks and at the same time tasks for the development of divisions as a whole are taken into account. Many companies mistakenly consider it possible to abandon the development of these strategies and limit themselves to the main strategy and strategies of business units. But in this case, the goals and tasks set in them "hang in the air", because there is uncertainty about who is responsible for which tasks should be solved first, how to coordinate the implementation of tasks.

These strategies are most often classified according to the functional divisions of the company [12]. Another approach is related to their classification by general types of activities. This includes, for example, marketing strategy, financial strategy, innovation strategy, production strategy, social strategy, organizational change

strategy, and environmental strategy. It should be noted that the approach based on the development of strategies for functional units is more specific, as it is clear who is responsible for development and implementation. In addition, each functional division develops an innovation strategy, a strategy for organizational changes, social and others. The marketing strategy should be developed by the marketing department, but it is not clear who should develop social, innovation and a number of other strategies and be responsible for their implementation. It should also be borne in mind that every strategy must be innovative. Functional strategies are low-level strategies and must be extremely specific. In all cases, it is necessary to develop strategies for the development of functional units. The classification of strategies by type of activity should be considered separately from functional strategies [12].

The strategies of teams, work groups and employees are the last group in the hierarchical structure of the company. And as the experience of strategic management shows, the company's strategy will be effectively implemented only when the general strategic goals of the higher level are transformed into the strategic goals of lower-level employees, on which the implementation of strategies depends [12].

In the bureaucratic approach, the strategy is determined by the upper level of control and mechanically transmitted to lower levels of control. At the same time, the problems of connecting the company's development strategy as a whole, the strategy of its divisions, and the development strategy of groups, teams, and employees themselves have not been resolved. This approach leads to a strategic gap, when strategic goals are set by management, but the strategies are ineffective due to the lack of connections between the strategic goals of the higher and lower levels of the company and the interest of lower-level employees in their achievement. Strategic management involves ensuring the relationship between the strategic goals of all levels of company management. On Fig. 1.1. the relationship between the functional strategy of production and the strategies of production sites, workers, work groups and groups created to solve the problems of quality improvement and the introduction of a new process is shown [19].

The importance of fourth-level strategies is currently growing due to the development of self-management and self-organization in companies, when the center of gravity of management actions and decisions is transferred to the network structures of the team, working groups and directly to employees implementing strategies [12].

It is quite difficult to imagine two or more identical enterprises, just as it is impossible to create exactly the same strategic management systems. The characteristic features of the strategic management system of the enterprise depend on the interaction of the following components:

- industrial equipment; company size;
- type of production, level of specialization, cooperation;
- peculiarities of production potential;
- availability (absence) of scientific and technical potential;
- management level.

Considering different types of development of organizations, strategies can be divided into the following types, shown in Fig. 1.1.

1. Growth strategies are aimed at increasing market activity, increasing company assets, attracting more investments. In many cases, the company's management deliberately chooses growth strategies that can be risky, since no one can guarantee that the rapid growth of goods and services will bring the expected profits in the face of changing consumer needs and a large number of competitors [3].

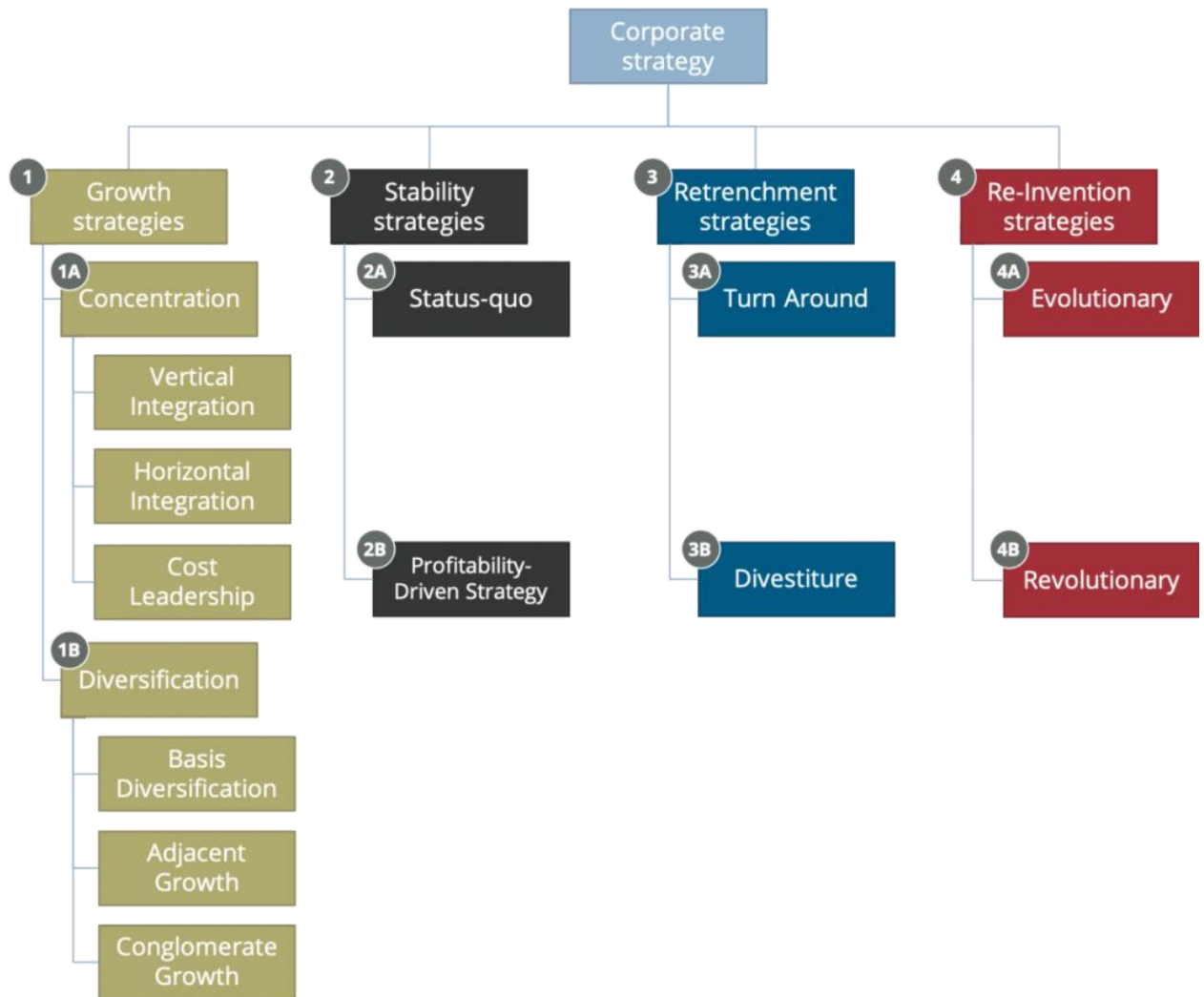


Fig. 1.2 - Classification of the organization's strategies by types of development [3]

Depending on the rate of development of the company (rate of growth of its income, sales, assets) there may be [3]:

- "super-growth" or "hyper-growth" strategy, they include companies that have achieved high growth rates for 10 years, and their total sales volume is more than 1 billion dollars, or occupy the highest position in the market;
- dynamic growth strategy, when the company is among the leading companies in terms of growth rates, but does not occupy the highest position. the prerequisite for this is exceeding the average growth rate of the market and an accelerated pace of development.
- the strategy of spasmodic growth (jump), when the company suddenly increases the pace of development in a short period;

- the strategy of moderate growth means a gradual increase in the rate of development of the enterprise to approximately the average rate of growth of the market;

- the strategy of slow growth means an increase in the economic potential of the enterprise, but, on the other hand, the rate of its development is lower than market opportunities and the average rate of market growth;

- the strategy of slowing growth rates is used when there is an increase in economic indicators of profit, sales, assets in absolute terms, but, at the same time, the growth rates of these indicators decrease compared to previous periods. this strategy can be related to both limiting the company's capabilities and reducing the market development potential, reaching maturity and saturation [3].

2. Stabilization, protection and survival strategies aimed at preserving the status quo, market niche and market positions [3]. In these conditions, the main task is to find own, internal reserves and the most profitable market opportunities with a minimum level of risk.

3. Reduction strategies are aimed at reducing the number of costs on projects that are unprofitable for a particular organization. Under these conditions, the company's profits will be small, profitability will be low, unprofitability is not an exception. The task of managers in this situation is to carry out significant changes in the company, a complete reorganization, possibly a change of activity, a transition to strategies 1 or 2. If this fails, the task is to exit the market with minimal losses when closing the business [3].

Growth, stabilization and reduction of the firm can be implemented according to several schemes, using the following types of strategies:

- 1) concentration - increase in the volume of basic products or services. There are the following variants of this strategy: horizontal concentration based on the acquisition or establishment of companies producing the same products, concentration based on market development - focused on increasing market share,

increasing the company's market rating, concentration based on product development - aims to increase its quality, increase the quantity of the product [3];

2) integration (forward and reverse), which is also sometimes called vertical integration, means increasing control over consumers and suppliers by acquiring or creating companies located in the upper and lower part of the technological chain of production and marketing [3];

3) diversification - involves the production of goods and services that differ from the main type of activity [70]. A distinction is made between related and unrelated diversification. The strategy of related diversification means the production of new goods and services, completely or partially similar to the main ones. Unrelated diversification refers to the production of goods and services that are not at all related to the company's core business. An example of unrelated diversification: a software company opens a children's toy business [62];

4) TQM (complex quality management) is a company's development strategy, which is based on the comprehensive application of quality management systems for products and services, and puts quality as its goal and priority direction of development [70]. The quality improvement strategy operates from top management down to the bottom line. Each innovation is implemented after a thorough study of its impact on improving the quality of products and services. The level of quality is monitored every day in all areas of the organization. Also, such a company develops a complex system of internal planning, control and regulation of product quality at all stages of its creation, from the selection of suppliers to delivery to consumers. Continuous training of personnel is carried out and a thorough audit of the entire company and its divisions is periodically carried out, which may affect the quality of final products or services [3];

5) repositioning strategy is based on changing the position of the product in the minds of consumers through advertising, changing some of its properties, prices, etc. [3]. As a result, the already existing product ends up in another market segment. If a product cannot achieve leadership in its segment, it can try to occupy a higher

position in another, new segment for itself. This strategy reflects the principle of moving to higher positions in a new segment;

6) customization - involves increasing the value of the product by reorienting it to the individual needs and characteristics of consumers. Customization has different forms: it can be implemented in the form of involving consumers to participate in the production of a product or service through individual selection of components of a product or service, or involvement in the design of the final product [62];

7) reengineering - involves a radical revision of the existing business. All products and services, organizational processes, management functions are subject to a full review. The main goal is to create a new, more profitable and efficient system of production, marketing and management. Unlike modernization or innovation, which affects individual subsystems of the company, reengineering completely changes the existing business both internally and externally [62]. It should be noted that not all companies are able to get a positive effect from its use, so not many of them risk so radically changing the already established production, management and marketing scheme. In this case, you can turn to partial reengineering, this type is less risky, but also less effective;

8) restructuring is a change in the company's internal structure, most often caused by unprofitable production and redundant management personnel in such crisis conditions. As a result of restructuring, as a rule, a forced reduction in the number of employees by about 20-40% is carried out, new managers and even owners often come, a new company structure is created [62];

9) termination of investments (removal of residual profits) - this strategy is based on the termination of investments in the development of the company and its divisions, profits are withdrawn from the company and prepared for sale, reorganization or liquidation. A similar strategy is used in conditions when there is no longer an opportunity to compete, funds, etc., the company itself loses market positions and, most importantly, investors do not invest [62];

10) A merger is a strategy based on the merger of firms. Often this strategy is the only way for an inefficient company to avoid bankruptcy. But on the other hand, this strategy often takes the form of a takeover or takeover, where one large firm, in order to eliminate a competitor, acquires its controlling interest and deprives it of its independence. The problem of hostile takeovers is acute in the world economy, when transactions and financial transactions are concluded at a rapidly increasing pace in the conditions of electronic means of communication. A merger is distinguished from a takeover by the voluntary nature of the decision of both parties. Takeover, on the other hand, is an unethical means of unfair competition [62];

11) bankruptcy - this strategy is used by firms in a difficult financial situation, when the company cannot fully pay off creditors [62]. In global practice, recognition of bankruptcy in this case means an opportunity through the court to obtain a postponement of debt repayment and freezing of creditors' claims for a certain period, sometimes up to 3 years, which may enable the company to restore its position and pay off the accumulated debts [3];

12) liquidation is the last stage of the organization's life cycle. In liquidation, the company completely loses its assets, ceases its activities and pays debts to creditors. The strategy of liquidation makes a lot of sense for firms in conditions when it is more profitable to create a new production than to invest in the reorganization of a loss-making enterprise, for example, when the firm's reputation is tarnished, the products are not interesting to the market, it is not possible to attract funds, etc. [3].

In the considered existing approaches to the classification of strategies of the third level (integration, diversification, restructuring, etc.) are either in the class of strategies of growth, or protection, or stabilization. But in reality, many strategies at this level are multi-purpose. They can be used both for company growth and for protection or downsizing strategies. The most universal in this context are diversification and reengineering strategies that can be applied in all conditions[3].

The activities of modern organizations differ both in the fields of activity and in the goals that the organization seeks to achieve thanks to the resources available to the organization, the technologies used by the organization and the level of management.

Consider the classification of strategies according to the functional activity of the firm.

Product strategy (product and market, production) - determines which products will be produced, in which volumes and on which markets.

The strategy for the selection and development of technologies determines the choice of types of technologies, the calculation of power requirements, the level of their competitiveness, the ways of their development and improvement [38].

The resource strategy determines what types of resources will be used, requirements for resources, alternative uses, the composition of suppliers and quality control of materials and raw materials supplied, ways to save resources and other technical and economic characteristics [38].

Innovation strategy - determines the innovation policy of the organization, which innovations and which divisions of the company will be developed and implemented, the time and costs for their development and implementation.

Logistics strategy - defines the general logistics model of the company, optimal routes for the supply of its resources and delivery of goods to customers, the most effective options for storing stocks and goods, intra-plant transportation [38].

Marketing strategy - defines the principles of development and marketing of goods and services, pricing policy, relations with customers, behavior of competitors, advertising and promotion of goods and other characteristics that provide the company with the most successful sales and growth [60].

The sales strategy is closely related to the marketing strategy, developed for the marketing departments of the company, determining for them the volumes and schedules of sales, prices, discounts, after-sales service and other factors affecting sales [60].

Research and development strategy - defines the choice of key areas for the development of new products and services, strategic alliances for joint development, targets for new products and their life cycles [38].

Financial strategy - determines the methods of attracting and the amount of financial resources involved, the ratio of equity and loan capital, the main indicators of financial and economic activity, the principles of cash management, settlements with creditors and other key financial characteristics.

Investment strategy - determines the sources of investment resources, the nature of financing investment projects, the direction of investments, the distribution of investment resources between the company's divisions, indicators of investment profitability, economic results of investment processes [38].

Social responsibility strategy - defines the principles of the company's behavior and its obligations to the state and society, customers, company personnel, competitors, suppliers.

The strategy of image formation and maintenance (PR-Public Relations strategy) is a strategy aimed at creating a positive image of the company in the public mind with the help of the company's participation in activities aimed at social progress, support of low-income population groups, production of goods and services that meet the stated in advertising characteristics [60].

These types of strategies are aimed at improving the company's internal charter and potential, leading to the company's success on the market. The process of creating successful strategies, both for the functional types of the organization's activities and for any other types, is a complex, creative process of objectively assessing the current state, establishing guidelines for the future, and creating an approximate plan that is constantly adjusted depending on new circumstances, through which it is possible to achieve the set long-term goals [60].

A number of these strategies can be detailed. For example, sales strategy and marketing strategy determine the nature of the company's behavior in relation to leading competitors [60]:

- CIT LLC the strategy to become a leading leader means the company's desire to take first place among competitors;
- CIT LLC the strategy of joining the group of leaders means that the company seeks to enter the group of the first 10 or more companies (depending on the number of competitors in the market), but does not seek to dominate other leaders [60];
- CIT LLC the strategy of following the leader or leaders means that the company copies the actions of the leaders and maintains relatively small sales volumes compared to the leaders;
- CIT LLC maneuver strategy, the company, keeping a commercial secret, prepares a sudden release of a new product or service that should bring it to the market leaders[60];
- CIT LLC the strategy of a stable market position or market equilibrium means that the company seeks to maintain the existing position and market equilibrium. The meaning of this strategy is that the desire for leadership can cause sharp reactions from competitors (change in pricing policy, advertising and other actions) and disrupt the established stability of the market [60].

M. Porter developed a classification of strategies for generic (species) types.

All strategies, according to his concept, can be divided into three types, depending on whether they cover the entire market or a separate narrow segment (vertical division).

The first generic form - cost management strategy - means that all the company's efforts are directed to the production and marketing of cheaper products than those of competitors [57].

The use of this strategy is based on capturing as much market share as possible, bidding on groups with high elastic demand, strongly reacting to price reductions. The price reduction compared to well-known brands can reach 3, 5 or even 10 times. However, quality, reliability and service within this strategy are a thing of the past, they are often sacrificed in the name of cost reduction [57].

The second general type - the strategy of differentiation can be implemented both in a broad market and in many segments and in a separate narrow segment of the market. If a new quality or property is created for a standard product, this is a broad differentiation strategy, while at a narrow level a third type of genetic strategy occurs [57].

The third type of general strategy - focusing strategy - means focusing the company's efforts on a narrow segment. If a company in this segment tries to achieve a competitive advantage through lower costs than competitors, this strategy is called price orientation. If, on a separate segment, the company focuses (concentrates) its efforts on differentiation, quality growth and the appearance of new properties in the products and services offered by them, this strategy is called the strategy of focusing on differentiation [57].

M. Porter claims that the company should choose a single general strategy and follow it, because, in his opinion, it is impossible to achieve success by trying to carry out strategies of differentiation and low costs at the same time. He called such strategies "stuck in the middle."

The model of general strategies has gained widespread recognition. Meanwhile, its serious inconsistency with practice attracts attention. One example is the breakthrough of Japanese companies in the 1970s into the American automobile market, which pushed American corporations into a secondary role in many regions. Japanese corporations have succeeded thanks to the strategy of achieving sustainable competitive advantages based on the simultaneous increase in quality, maximum reduction of costs and prices. The situation with many types of goods produced by companies in South Asia is similar.

Today, differentiation is one of the main factors for achieving strategic competitive advantage, but at the same time it is the most risky strategy. The fact is that quality and differentiation strategies usually require a lot of money for research, design, development, market testing, marketing, and changes in production technology. If these strategies are unsuccessful, the company may lose market share

and even go bankrupt. Therefore, in practice, most companies strive to implement a balanced strategy of increasing quality and simultaneously reducing costs [2].

Developing and choosing a strategy is a complex, creative process that cannot be reduced to ready-made templates and sets of recommendations. This process cannot be standardized like the creation of technical products. Only a non-standard, creative strategy allows you to achieve market leadership.

Various combinations of factors of the market environment and organizational factors of the company create many possible options for strategic development. The task of the company's management is to develop a product development strategy based on innovation, to create and maintain sustainable competitive advantages that ensure the company's success [2].

Understanding the essence of strategies and their features by management and managers of companies is the most important component of the knowledge base of the management of the company as a whole.

### **1.3 The process of choosing (developing) a strategy at the enterprise**

In order to get an idea of the strategic position of the organization in the external environment and to find out trends, dangers, chances, as well as individual emergency situations that can affect the trends that have developed, it is necessary to conduct a strategic analysis. It is necessary to go through several stages for a gradual transition from concepts to specific organizational and technical measures.

At the first stage of choosing a development strategy, strategic analysis involves analyzing the organization's external environment and studying (evaluating) the resources the organization possesses in order to understand and evaluate its strategic opportunities [19].

It is important for managers to analyze the nature of phenomena and states of the external environment in order to understand, identify and evaluate the key variables that affect the organization's work and its results. In other words,

opportunities and threats are revealed, and one's own position is positioned as an opportunity to resist this influence.

It is evaluated why these factors are important, with what degree of uncertainty one has to face. In particular, the current competitive position relative to the main competitors is evaluated. After such an analysis, managers should be sure that they will not face unpleasant surprises in the future. At the same time, they assess their own strengths and weaknesses to ensure that the strategy is being implemented. Therefore, in order to choose a reasonable strategy, it is necessary to evaluate the organization's resources from the point of view of a strategic perspective [19].

The result of the analysis is an idea of how much work results can be improved by changing the competitive strategy in the relevant activities of the organization. Analysis of competitive positions shows that some activities are more promising than others, and some are not promising at all. The level of results that the organization can count on, using its competitive advantages, reflects the existing potential of the organization [19].

If the organization is satisfied with the current opportunities and considers them a guide for the future, then the analysis of competitive opportunities ends and the firm moves on to drawing up programs and budgets.

The second stage of choosing a development strategy implies a comparison of the company's prospects in different types of activities, setting priorities and distributing resources between them, analyzing ways to diversify production. In fact, strategic planning is carried out at this stage. The formulation of the strategy consists in establishing the correspondence between one's own capabilities and the conditions of the external environment [19].

Before choosing a strategy, it is necessary to assess one's own strengths and weaknesses, as well as to determine which market technological, technical and financial know-how (existing today and offered at reasonable prices) should be implemented in potential areas of activity. This is done at the same time as evaluating similar positions of competitors (if possible) to understand one's own

prospects and determine areas where the company can become a leader and where it can be an outsider (and even bankrupt).

The detection (identification) of alternative strategies also involves the analysis of ways to diversify production. Diversification is the simultaneous development of various types of production, technologically unrelated. Diversification of production gives a synergistic effect, it is a strategic advantage that arises when managers coordinate relations between divisions within the framework of various business processes or connect several divisions and concentrate management in one hand [19].

Thus, the tasks of the second stage are the assessment of shortcomings and the determination of new types of activities to which the firm should switch.

Expected results can be evaluated using various methods of forecasting, marketing research within the framework of the methodology related to investment activity: development of an investment project, assessment of expected cash flows, determination of sources and structure of project financing, calculation of efficiency using methods of determining the net present value (NPV ) and the internal rate of return (IRR), etc. By comparing the expected results with the current ones, the company sets forward-looking goals and objectives in the form of various programs.

It is believed that when forming strategic programs, it is necessary to take into account [12]:

- general (basic) strategy, according to which the company intends to compete or strive for excellence, using key factors of success (compliance of the service with the capabilities of the organization and market requirements; technological advantage of the service; large market volume; support of the new service by the management of the company, public organizations, legislators of the region; use marketing research when making a decision to enter the market with a service; avoiding a market with high competition and satisfied customers; avoiding dynamic markets with frequent product changes) [12];

- alternative directions in which the company may wish to develop [12];

– alternative methods by which this direction of development can be achieved [12].

Alternative directions and methods are determined in the third and fourth stages. Michael Porter in 1985 identified three alternative variants of the basic strategy that a company can follow [57]:

– cost leadership, thanks to which the company achieves a competitive advantage in this industry [57];

– differentiation, with which the company looks for unique properties of its product or service that are important to customers, which gives it the opportunity to set a premium (above nominal) price [57];

– focusing, which means that the company focuses on a certain area of the market [57].

For example, a service is intended for a certain group of consumers (a segment of a product line or a certain geographic region). At the same time, the company must decide from which of the first two strategies it will move forward: on the basis of cost leadership or the search for unique product properties.

Porter and other specialists believe that any company should choose a single basic strategy in order to obtain significant and sustainable competitive advantages [57].

The third stage of choosing a development strategy comes when the basic strategy is selected and the directions of activity for its implementation should be determined. There are several possibilities here:

- do nothing new (continue the previous activity);
- withdraw from some markets;
- sell products on the market with great effect (market penetration), often this involves more skill;
- sell products in new markets (market development);
- develop new services (product development);
- develop new products for sale in new markets (diversification) [19].

After the direction is chosen, you can proceed to the fourth stage of choosing a development strategy. In 1989, Johnson and Scholes proposed three alternative methods: internal development, acquisition of companies, and some forms of joint development, such as venture enterprises and franchising [19].

Having created a venture company, the company invests money in the business for development, expansion (market capture) or production of a new product (innovation).

At the same time, in case of failure, financial and other losses should not have a significant impact on the main business.

The fifth stage of choosing a development strategy is the evaluation of the strategic choice. Strategic alternatives are compared to identify the advantages of each of them based on the following criteria [19]:

**Suitability.** This criterion allows you to establish the degree of compliance of the intended strategy with the set goals and the situation that was revealed during the strategic analysis.

**Feasibility.** The criterion allows you to determine whether the strategy can be implemented with the given resources. For example, can the strategy be funded? Or can the desired market position be achieved? Can the company respond appropriately to competitors' actions? [12]

**Admissibility.** The criterion makes it possible to assess the basic admissibility of using the strategy. For example, by answering the question: will the strategy provide a significant profit and is the level acceptable risk? [12] From the listed criteria, the main criterion is chosen, which allows to reduce the number of considered options. These options are subject to a more thorough and detailed evaluation, which can be carried out using expert methods, for example, the method of analyzing hierarchies [12].

If one goal is expected to be achieved in the considered strategies, then one of the strategies is selected. If multiple goals are to be achieved, then different strategies can be chosen, but in any case managers must be sure that these are the strategies with the greatest potential for firm [12]. Investment programs in physical, intangible

and financial assets can be carried out simultaneously. In all cases, experts in the field of financial and risk management should be involved [12].

The sixth stage consists in setting operational and strategic organizational programs and budgets. Operational programs and budgets guide the company's divisions in their day-to-day work aimed at ensuring current profitability, while strategic ones lay the foundations for future profitability. Thus, at this stage, higher levels of planning are combined with lower ones [19].

### Conclusions to the Section 1

Thus, in the first chapter of the thesis, approaches to strategy definition, types of strategies and the main stages of their development were considered. It was determined that by strategy we will understand the complex of resources and skills of the organization on the one hand, and the opportunities and risks that the external environment carries, on the other hand, which are oriented to the future perspective in which the organization intends to achieve the set goals and objectives.

Developing and choosing a strategy is a complex, creative process that cannot be reduced to ready-made templates and sets of recommendations. Various combinations of factors of the market environment and organizational factors of the company create many possible options for strategic development. The task of the company's management is to develop a product development strategy based on innovation, to create and maintain sustainable competitive advantages that ensure the company's success.

## **SECTION 2**

### **INTELLIGENT TECHNOLOGY COMPANY STRATEGIC MANAGEMENT ANALYSIS**

#### **2.1 General characteristics of the activities of the Company of Intellectual Technologies LLC (CIT LLC)**

"Intellectual Technologies Company" is one of the first companies that implement projects for the creation and large-scale implementation of innovative educational products - business simulations and business games - in educational institutions, HR agencies; popularize such products among pupils and students, young and ambitious workers, company owners.

The idea of the project started in 2007, when a team of KNEU students created the first business simulation model, which was called ViAL+. Its testing showed the perspective of the idea, interest and at the same time prompted further implementation in the Delphi programming language.

Over the next four years, the idea from the Excel format turned into a full-fledged integrated software product capable of forming and evaluating the practical skills and abilities of students, young professionals and budding entrepreneurs.

In parallel with the creation of the product, there was a search for ways to implement the simulator, bring it to end users, and find the main customers. In the middle of 2010, the concept of the development strategy of the "Intellectual Technologies Company" was developed. The main client is a student, a young person who is looking for himself and is ready to pay for new knowledge and skills.

During the second half of 2010-2011, large-scale testing and approbation of the ViAL+ business simulation took place. As a result, the product was seriously redesigned and adapted to the needs of the consumer.

The date of market entry of the simulation fell on October 2011. Clients were offered training on the management of economic processes at the enterprise based on the ViAL+ business simulation. By this time, the first edition of the CIT.com.ua website was launched, a VKontakte page was created, external advertising was organized under the slogan "Turn on your future" with your hand on the button, negotiations with regional universities and the search for regional dealers began. In parallel, free motivational trainings were held in the ViAL + business simulation environment.

Not all initiatives were successful, but the experience of the first customer interest made it clear where the company should go, what the goal and mission of its team should be. The main task of CIT was to update the content and forms of effective training in the art of managing a company, and the main tool for this is the business simulation ViAL+, developed by economist specialists for those who want to learn entrepreneurship in practice.

In the middle of 2012, at one of the CIT meetings, an idea arose to reformat the product and reorient it to two segments - corporate (universities) and individual clients (students). Interactive business practice ViAL + becomes the main product.

For a small fee, students were offered to do an internship at ViAL+, at a completely new enterprise, to independently make decisions about enterprise management, receive results, analyze them, and further adjust their line of behavior. At the same time, online practice took place in a place convenient for the student, where there was access to the Internet (home, university, etc.). The legal registration of the practice was carried out in a company with all the necessary attributes. Practice supervisors from higher education institutions had the opportunity to monitor the student's practice.

For universities, commercial proposals were made for the use of business simulation ViAL + as an environment for production practice, a separate training course, additional content for educational courses in the disciplines "Enterprise Economics", "Strategic Management", "Marketing", partially "Finance" and "Audit" and accounting".

The possibility of working with the corporate segment was also considered, but this idea was temporarily postponed in order not to disperse the team's efforts. Especially since familiarization with the peculiarities of corporate sales continued. From the end of August 2012, a new series of negotiations with higher education institutions (deans, vice-rectors) began. The first agreements about the desire to use the product were made. But in most cases, the option of paying for the internship by the student, and not by the university en masse, was envisaged. This created certain problems.

Throughout 2012, thorough negotiations with one of the leading universities of Ukraine regarding the organization of an economic tournament using business simulation ViAL + continued.

An introductory seminar will be held in February 2013, and a tournament will be held in April. Both the simulation and the tournament received a very high rating and prospects for establishing a strategic partnership. At the same time, several practice markets were launched in parallel. Despite some errors and mistakes, everything went at a high level, and the participants were satisfied.

In the first half of 2014, a number of drastic steps were taken:

- within one month, the business tournament "Company Strategy 2014" was initiated and prepared for students of grades 9-11, which took place in February-March 2014, bringing together 135 students from 15 regions of Ukraine;
- the list of universities that use simulation on a paid basis is expanding;
- a system of certification of economic and managerial competences was formed and tested, which open new ways of promoting the company in the corporate sector;
- a breakthrough was made at the international level - "Intellectual Technologies Company" became a member of the International Simulation and Game Association (ISAGA). Her delegate participated in the work of the 45th conference from ISAGA, which made it possible to present the ViAL+ business simulation to the expert world environment and receive positive feedback about the

simulation. At the same time, this prompted the creation of an English version of the simulator (on par with Ukrainian).

But despite the gains, the company was brought to the brink of death in May-August due to the hostilities in the East of Ukraine, because the administration and server company, key investors, were in the city of Severodonetsk. This made it necessary to move the server to Kyiv and completely reformat the team with extremely great efforts.

Since September 2014, the dynamics of the company's work have been changing towards systematization and intensity, the team has been supplemented with the necessary specialists, costs and actions have been optimized.

The results of this were a radical improvement of the company's website; changing the concept of working with clients; holding the All-Ukrainian business tournament for students "Drump Up, Business!", for students - "Company Strategy", "From the Lyceum to the Elite". The company's partners are "Coca-Cola Beverages Ukraine", state and regional government institutions, the Academy of Innovative Development of Education, a number of mass media, higher education institutions, leading secondary educational institutions of Ukraine.

In parallel with this, the general director of the "Intellectual Technologies Company" initiates a series of round table meetings on the subject of developing a new career guidance strategy and implementing concrete steps by the efforts of businesses, schools, institutions of higher education, parents and state institutions. The proposals of the round tables become the basis of appeals to state bodies and the formation of a new career guidance and education policy using interactive educational technologies, in particular business simulations.

Therefore, CIT together with its development, business simulation ViAL+, through trial and error forms a new culture and creates innovative approaches to the acquisition of practical business competencies in Ukraine, a new market format of interactive educational technologies, which is already successfully functioning in the developed countries of Europe and America and Asia.

The company's mission: The strategic goal of the company is the development and further development of a single standard for the formation and assessment of managerial and economic competencies in Ukraine and neighboring countries.

By dividing the vision of the CIT company into two-year stages, it is possible to determine the key points of development and expansion of activities.

- The first 2 years: The main focus will be on improving the existing processes and improving the skills of the team. This period will include intensive training of employees in order to improve the quality of development and design of educational products. The main goal is to achieve high quality standards that meet the requirements of the international market.

- Next 2 years (3-4 years): The focus shifts to expanding the range of services, including SEO optimization and launching advertising campaigns on Google and Facebook. This stage will involve the creation of new departments and the involvement of specialists in these areas, which will allow the company to offer comprehensive solutions for digital learning.

- 5-6 years: The key goal of this period will be the improvement of internal business processes and the implementation of advanced innovative solutions. During this period, the company will focus on the development of its own tools for automating work processes, ensuring effective project management and optimizing interaction with clients.

- 7-8 years: It is expected to increase the market share and expand the geography of activity. It is planned to develop partnerships with agencies in different countries and actively enter new markets. In parallel, the portfolio of services will be expanded, including the development of mobile applications and integration with various online platforms.

- The last 2 years (9-10 years): The final stage of the ten-year plan envisages the transformation of CIT into one of the leaders in the field of digital educational technologies. The company will have a recognizable brand, a strong international

reputation and a wide portfolio of satisfied customers. The vision is to be not just a service provider, but a strategic partner.

CIT as a company and a small team from the first days of the war began to adapt to new working conditions, including blackouts, shelling, and so on. Currently, the company responds stably and flexibly to the new challenges of wartime.

Let's consider in more detail the management structure within the company. Currently, the company has a permanent staff of 8 people, and some specialists who can be engaged separately for the project. Due to the specifics of the work, the company has a matrix organizational structure. In such a structure, each new project has its own team and project manager. In this way, the main role of the company is ensured - the implementation of projects for clients by a separate team. Since the company is small, key persons include the founder of the company, who not only manages the company at the highest level, but is also responsible for interaction with customers who have left orders and management of some projects and key customers. The description of the company's services is given in table 2.1

CIT's main product is the VIAL+ game, which is essentially a business simulation.

Business simulation games are a practical method of teaching economics to students of leading universities.

The classic educational process used in Western universities is that during the semester, each lesson corresponds to one game period (Fiscal Year 1). Between meetings, students receive homework, analyze cases, etc. In this format, the participants have time for a deep understanding of the game and better learning of knowledge. The effectiveness of business simulations within the framework of an academic university has been proven for years and is obvious (this is a combination of the dynamism of the format, the ability to integrate knowledge gained from studying various subjects, and build a complete picture of business interaction inside and outside the virtual corporation).

Table 2.1 – Description of the company's services

Service	Description
Personal entrepreneurship training course in ViAL+ business simulator	<p>Simulator ViAL+ — comp'a computer program in which training companies are created. Practical training at ViAL+ is remote, therefore available to residents of all settlements of Ukraine, regardless of age and basic education. Training practice in the simulator can take place in Ukrainian, Russian or English.</p> <p>Each simulation participant will be accompanied by a personal expert mentor. He answers all questions and provides advice. The basic course of applied business training at ViAL+ lasts one month.</p>
Interactive training practice for students of higher education institutions	<p>The practice program can be adapted for students of the OKR "bachelor" and "master" majors "051. Economics", "073. Management", "071. Accounting and taxation", "076. Entrepreneurship, stock market activity and trade".</p>
Trainings for teachers	<p>"Effective Mentor" is a training course for teachers of secondary schools, teachers of vocational and technical and vocational pre-university education institutions. The duration of one training session is 5 hours. The format is face-to-face training or remote (webinar, Skype conference, online broadcast, etc.).</p>
Trainings for heads of educational institutions	<p>"Effective Manager" — a training course for directors of secondary, vocational, technical and professional higher education institutions</p> <p>General foundations of the implementation of economic approaches in the management of an educational institution. SWOT analysis of an educational institution.</p> <p>Building an economic model of an educational institution.</p> <p>Identification and management of key resources of the educational institution.</p> <p>Management of changes in an educational institution.</p> <p>Project approach in the activity of an educational institution.</p> <p>Workshop on management of business processes of an organization using the example of company management in the ViAL+ business simulation environment.</p>

On the positive side, they note the variety of tasks that can be solved with the help of simulation - starting with the acquisition of specific knowledge in the field of business understanding (working with financial information, pricing, utilization of production facilities) and ending with the choice of the company's strategy and the development of teamwork skills.

An important advantage of the business game is the emotional experience of the result - the participants are happy, taking the first place in the market; grieve, losing profit; suffer from poorly forecasted sales and aggressive actions of competitors. Sincere cheering, manifestation of various and, sometimes, unexpected feelings creates a high level of enthusiasm and assimilation of knowledge. It is

difficult to achieve such a level with another method of training - a seminar or training. (Business simulations in training programs: advantages and disadvantages, 2019).

Research in the UK has shown that among commercial games, economic simulations Simcity (city management) and Tycoon (business management) are the most common (Schmuck R, 2016).

## **2.2 Analysis of competitive environment of CIT LLC**

In general, a wide range of business simulators for higher education institutions and corporations are offered abroad, using which participants can hone business and decision-making skills (<https://www.bpsimulator.com/ru/business/online.html>).

Baton Simulations. ERPsim games are a series of business simulations that run on an installed SAP system. Unlike other step-by-step simulations used for business training, ERPsim games allow participants to work through the system faster than in real time. It enables decisions related to sales, pricing, product components, marketing investments, cash flow management, production, etc., through the use of reports and transactions stored in SAP.

Blue Ocean Strategy Simulation (BOSS) is a business strategy simulation that allows participants to test new strategies and actions against market realities. It is an effective learning tool to prepare yourself for the real world of business.

Capsim Capstone Business Simulation is an expensive, complex business simulation that teaches strategy, competitive analysis, finance, cross-functional regulation, and choosing tactics to build a successful and focused company.

Participants must go through highly complex and fast-paced situations in which business acumen is tested and enhanced through simulation, analysis and strategic planning. The challenge is to turn around a poorly managed \$100 million

company with five mid-sized products in various market segments, meeting customer needs to improve, accelerate and lower cost of production.

Capsim Foundation simulation provides an engaging and immersive environment for understanding core business processes. The Foundation simulator allows you to simulate the impact of critical business elements, such as the relationships between the key business lines of research and development, marketing, production, and finance.

Cesim is a family of online business simulations aimed at developing practical management skills in users, as well as effective competencies in the field of entrepreneurship. On the Cesim platform, there are several simulation games that differ in focus and learning goals: from a business game dedicated to strategic management and international business (Cesim Global Challenge) to highly specialized industry simulations, such as managing an energy company or a hotel (cesim Hotel & Restaurant Management). . Participants launch their hotel and restaurant management processes in competition with other teams. They can try and practice different scenarios and analyze the results of their decisions and predictions. For each round, the simulator generates a series of detailed reports that help teams analyze the results and compare them with their competitors. Financial results are given in accordance with the Unified Accounting System for Restaurants and Hotels.

The use of the latest technologies in the Cesim business simulation helps to consolidate theoretical knowledge, improve business decision-making skills and increase the effectiveness of teamwork of both students and employees.

Edumundo offers several interactive management simulators and business games that enhance students' knowledge by mixing competitiveness, decision-making, intellectual feedback and entertainment.

The company's flagship product is Prosim, but the company also offers management simulations for a bicycle company, a chocolate factory, a tour operator, and a marketing simulation for a denim company.

Harvard Business Publishing's online simulations use real-world situations to reinforce student learning outcomes.

RealityWorks Business Education Simulations offers three online business simulations to give students hands-on experience in making business decisions. Each simulator allows participants to run their own virtual business. RealCareer Business Management gives students the opportunity to experience a realistic business scenario where they develop and market a new product. RealCareer Entrepreneurship is a business management role-playing scenario that provides an in-depth understanding of business, marketing and financial concepts. RealCareer Business Finance offers a simulation that allows students to immerse themselves in a financially unstable business and try to fix it.

Traction is a strategy simulation game. Students develop and launch an enterprise in two stages (loss-making and generating income). Attention is focused on the teams, funding, product development, business model, internal processes of this simulation. Simulation combines academic concepts and practical experience.

For the first time, the use of business simulation as a teaching method in Ukraine was recorded in 1995, when the following educational business simulations were implemented in the city of Kyiv with the assistance and under the control of the Ukrainian business school "International Institute of Management": MARKSTRAT - strategic marketing business -simulation; FAST (Financial Analysis and Security Trading) – financial analysis and securities trading; GLOBAL MANAGEMENT GAME is a business simulation that simulates the company's activities in an international competitive environment (Kravchuk, 2013).

During all this time, business simulations, mostly of Western and Russian companies, were used in Ukraine. And only in October 2011, the Company of Intelligent Technologies (CIT) announced the start of the network educational business simulation ViAL+, which is positioned as the first Ukrainian educational simulation of enterprise activity with a real competitive environment (Wikipedia: the free encyclopedia, 2019).

The tasks of ViAL+ business simulation are:

- formation of applied economic and management competencies of participants through practical business activities in a competitive market environment;

- development and improvement of skills to analyze, make decisions, calculate the consequences of decisions made and soft skills (time management, self-discipline, self-motivation, presentations, communication);

- comprehensive preparation for running one's own business.

ViAL+ realistically reflects the functioning of a manufacturing enterprise, starting with the development and organization of production and ending with the sale of the manufactured product in the conditions of various types of market. The simulation has all the characteristic features of a business game and a clear reproduction of real business processes [2].

Business simulations are an effective method of learning that shortens the distance between theory and practice, enables teachers and students to go beyond the boundaries of individual disciplines, creates conditions for reflective practices, thereby acting as a new model of learning in the era of social and economic transformations arising in due to the global spread of new technologies.

One of the key advantages of the company is its ability to offer services at competitive prices, which makes it attractive to a wide range of customers. Along with this, CIT is actively working on expanding its competencies, introducing the latest technologies and work methodologies.

In a short time, CIT managed to build a strong reputation in the market, confirming its commitment to quality, innovation and customer satisfaction.

Business processes at CIT are focused on achieving high-quality services, customer satisfaction, and supporting the company's sustainable growth. Thanks to the combination of technical expertise, effective project management and a client-oriented approach, CIT continues to strengthen its position in the market of digital and face-to-face educational services.

### 2.3 Strategic planning on the CIT

The strategic management system is a key component of the successful functioning of any company. This is especially important for small businesses like CIT. In such conditions of a dynamic market and uncertainty, the strategic management system is key to achieving success and ensuring the sustainable development of the company [69, 70].

Unfortunately, CIT does not have a sustainable strategic planning process, and this process in the company looks very primitive. This process is regularly updated and adapted according to changes in the market and the characteristics of the company. Since changes occur regularly in a small company, the company currently does not make clear strategic planning for more than one year. The annual planning of the company is also not prescribed and does not have clear goals that would be limited in time and result, the achievement of which could be considered as the achievement of the goal of the annual planning.

The strategic goals of CIT are aimed at achieving certain results in the medium and long-term periods. Some examples of strategic goals include increasing sales volume, improving service quality, and improving process efficiency.

A targeted approach allows you to ensure consistency and direction of the entire team in the same direction. For each department, the main goals are chosen, as well as smaller tasks necessary to achieve the overall strategic goals.

Table 2.2 – Stages of short-term planning in the company.

Stage	Description of the stage
The first stage	An analysis of previous achievements. The team carefully analyzes the previous three-month period, determining which goals were achieved and which were not. It is important to establish why certain goals were not achieved and what can be learned from this experience. Each department of the company (even if it consists of one person) has its goals for three months.
The second stage	Analysis of the situation. The team evaluates the current state of the company, including sales volume, marketing performance, and the performance of the design and development departments. The main focus is on identifying possible problems and improving work processes.
The third stage	Formulation of new tasks. Based on the analysis, the team formulates new strategic goals and objectives for the next three-month period. These tasks are determined by taking into account previous failures and company goals.

For example, one of the strategic goals is to increase sales volumes. To achieve this goal, the task is set to send a certain number of offers, receive a certain number of responses from potential customers and make a certain number of sales.

For website design and development, the goal may be to improve the quality of services, including improving development processes and creating more creative and effective solutions for customers.

However, it is important to consider that strategic planning is not only setting goals, but also careful planning and evaluation of results. The CIT team develops plans to achieve new goals and sets KPIs (Key Performance Indicators) to evaluate results. These KPIs cover parameters such as the number of offers sent, the number of responses and the number of sales.

Thanks to strategic planning, CIT has the opportunity to clearly define the direction of the company's development and coordinate the actions of the entire team to achieve goals. This process is an important component of the company's success and helps to adapt to changes in the market and uncertainty in the internal and external environment.

In conclusion, the system of strategic management of CIT is determined by flexibility, adaptability and focus on achieving strategic goals. It helps align and direct the efforts of the entire team to achieve success in a competitive market and uncertainty.

The strategic management system implemented in the CIT company can be assessed as small, but effective and adaptable to unusual market conditions and the political situation in Ukraine. Although this system may seem simple and imperfect compared to larger corporations, it demonstrates its effectiveness in the form of small steps and rapid responses to changes in the environment. This simplicity allows the company to focus on the implementation of strategic tasks and the achievement of goals in the extremely dynamic segment of the educational digital services market.

Successful strategic management consists in the ability to adapt to new conditions and change your goals and plans according to the market situation. The system implemented in CIT corresponds to this concept, directing the company's efforts to change and achieve new strategic goals through short-term plans and adaptation to market changes.

Within its strategic management system, CIT finds a balance between simplicity and efficiency. This system not only helps the company adapt to unforeseen circumstances, but also ensures the achievement of certain results in the short and medium term. To quote John Maxwell, renowned author and leadership expert, "Success is a process, not an end result." CIT's strategic management system illustrates how success can be achieved even in a small company thanks to skillful strategic planning and adaptation to changes.

Thus, the strategic management system at CIT, although simple but effective, meets the company's needs and allows it to achieve results in a changing market environment. This system is designed to help CIT implement its strategic goals and objectives, ensuring dynamic development and successful activity in the web development and design market.

In order to determine the main directions of development, it is necessary to conduct an analysis using PEST methods, to determine the factors that affect the company in the macro environment, to evaluate their impact and actions of the company. Also conduct a SWOT analysis of the company to identify the company's strengths and weaknesses, how they can affect strategic planning and the company's position on the market [40]. Also, the analysis of the company based on Porter's five forces will make it possible to assess the company's competitiveness on the market [4, 5, 19].

To carry out a PEST analysis, that is, a strategic analysis of the external environment of CIT, factors in four groups that can most significantly affect the company's activities are determined [45]. Among them are political, economic, socio-cultural and technological. The impact of each factor was determined on a three-point scale:

1 – the influence of the factor is insignificant, any change in the factor practically does not affect the company's activities;

2 – only a slight change in the factor affects the sales and profit of the company;

3 – the influence of the factor is significant, any fluctuations cause significant changes in the sales and profit of the company.

The probability of occurrence of the factor is estimated by experts, where:

1 – low probability;

5 - high probability.

Next, a mean factor score was calculated with an adjustment for weight, which takes into account the influence of the factor. The results are presented in table 2.3.

Table 2.3 – Assessment of the weight of PEST analysis factors

Factors	The influence of the factor	Expert evaluation					Average score	Estimate adjusted for weight
		1	2	3	4	5		
<b>POLITICAL FACTORS</b>								
Future and existing legislation, regulatory rules of work in the sphere of commercial educational services	3	5	4	4	4	4	4,2	12,6
Instability of political power and government	3	3	4	3	3	4	3,4	10,2
The probability of the development of military actions	3	5	5	5	5	4	4,8	14,4
<b>ECONOMIC FACTORS</b>								
Income level of the population	2	3	4	4	3	4	3,6	7,2
The degree of globalization and openness of the economy	2	4	3	3	4	3	3,4	6,8
Inflation rate, interest rates and exchange rate	3	4	3	4	5	4	4,0	8
<b>SOCIO-CULTURAL FACTORS</b>								
Requirements for service quality and service level	3	3	4	4	4	3	3,6	10,8
Way of doing business	2	4	3	4	4	3	3,6	7,2
Attitude towards the involvement of foreign performers	3	5	4	4	4	5	4,4	13,2
<b>TECHNOLOGICAL FACTORS</b>								
Access to the latest technologies	2	4	4	5	4	3	4,0	8
The level of innovation and technological development in the world	2	3	4	4	3	4	3,6	7,2
The degree of use, implementation and transfer of technologies	2	3	4	3	3	3	3,2	6,4
<b>GENERAL SUMMARY</b>	30							

Based on the obtained estimates, the factors of the external environment are ranked in descending order (Table 2.3). Thus, it was determined that political and socio-cultural factors have the greatest impact on the company's activities, and economic and technological factors have the least impact.

Table 2.4 – Summary factors of PEST analysis

POLITICAL FACTORS			SOCIO-CULTURAL FACTORS		
Factors	Weight	Direction of influence	Factors	Weight	Direction of influence
The probability of the development of military actions	14,4	–	Attitude towards the involvement of foreign performers	13,2	+/-
Future and existing legislation, regulatory rules of work in the sphere of commercial educational services	12,6	+/-	Requirements for service quality and service level	10,8	+/-
The instability of political power	10,2	–	Way of doing business	7,2	+
ECONOMIC FACTORS			TECHNOLOGICAL FACTORS		
Factors	Weight	Direction of influence	Factors	Weight	Direction of influence
Inflation rate, interest rates and exchange rate	2	+/-	Access to the latest technologies	8	+
Income level of the population	7,2	+	The level of innovation and technological development in the world	7,2	+
The degree of globalization and openness of the economy	6,8	+	The degree of use, implementation and transfer of technologies	6,4	+

Based on the results of the analysis and the summary of indicators, it can be determined that the most significant factors with a minus sign for the company are the probability of the development of military operations, which received -14.4 points, and the deterioration of the attitude to the involvement of foreign specialists, 13.2. Attitude can have both a negative and a positive direction of influence.

The result of the analysis is the determination of the impact on the change in the industry and the company itself. An important step is the formation of the

company's actions, which will allow to resist or better accept the influence of the external environment factor (Table 2.4).

Table 2.4 – Conclusions of the PEST analysis of CIT

Factors	A change in the industry	Change in the company	actions
1	2	3	4
<b>Political</b>			
The probability of the development of military actions	A decrease in the number of specialists, a decrease in the interest of foreign customers in Ukrainian companies due to instability.	A decrease in the level of trust in the involvement of Ukrainian companies for cooperation, the loss of personnel due to mobilization, in general, the withdrawal of activities.	Relocation of the team to a safe region of Ukraine.
Future and existing legislation, regulatory rules of work in the sphere of commercial educational services	Easing or worsening the tax burden for the IT sector.	New conditions of taxation and revision of payment of tax liabilities.	Adapting to legislative changes by optimizing or restructuring operational processes.
Instability of political power and government	Changes in the legislation that regulates the activities of the IT sphere, pressure from the authorities, blocking of activities due to the use of administrative resources.	Pressure from the authorities, blocking of activities due to the use of administrative resources.	Establishing relationships with the new government, active activity in business associations.
<b>Social and cultural</b>			
Attitude towards the involvement of foreign performers	Reducing the number of employees from other countries involved in the work as freelancers or outsourced/outstaffed.	Reduction in the number of potential customers	Change of orientation to other regions and countries.
Requirements for service quality and service level	An increase in competition will lead to an increase in service quality requirements.	Increasing requirements for a service approach among employees.	Optimizing the processes of cooperation with clients and providing a higher level of service.
Way of doing business	Development of online trade, digitalization of new fields of activity.	Increasing demand for digital products and services.	Expanding the team, increasing sales of services in new areas.

Continuation of the table. 2.4

1	2	3	4
Economical			
Inflation rate, interest rates and exchange rate	An increase in income will lead to an increase in the market potential, and accordingly, a decrease to a collapse.	An increase in income will lead to an increase in potential demand, and a corresponding decrease in demand.	Review of pricing and communication policy.
Income level of the population	The level of income of the population in Ukraine will lead to a decrease in the margin between the cost of working time for the employee and for the customer.	Salary increase.	Revision of pricing policy and optimization of overhead costs.
The degree of globalization and openness of the economy	The appearance of new companies with foreign capital on the market.	Intensification of competition, encouragement of development.	Active use of existing competitive advantages and development of new ones.
Technological			
Access to the latest technologies	The leadership of companies that use the latest technologies the fastest and most efficiently.	Implementation of the latest technologies in the company's activities.	Reconstruction of operational processes in accordance with new technologies.
The level of innovation and technological development in the world	The leadership of companies that use the latest technologies the fastest and most effectively.	Implementation of the latest technologies in the company's activities.	Construction of operational processes in accordance with new technologies.
The degree of use, implementation and transfer of technologies	Leadership of companies that create or adopt innovations the fastest.	Implementation of innovations in the company's activities.	The use of innovative solutions in solving the company's problems and tasks.

The most active actions on the part of the company in the event of a change or occurrence of a factor will be carried out in the political sphere. This will mostly lead to the instability of the company's work, relocation, or question the further ability to work. A change in economic factors will lead to a review of pricing policy

and spending. The influence of socio-cultural factors requires the company to adapt and increase the level of orientation towards the quality of service provision.

The SWOT analysis allows for a comprehensive analysis of the company's environment and makes it possible to conduct a joint study of the external and internal environment by identifying weaknesses and strengths, threats and opportunities [34, 35, 36]. Table 4.1 presents a list of elements of the SWOT analysis, and also determines the mutual influence of factors on strengthening or weakening the competitive position of CIT in the market of educational services. The SWOT analysis of the enterprise is given in Table 2.5.

CIT has enough strengths and opportunities that allow to strengthen each other and achieve greater results [37]. For example, the high quality of services and a large portfolio allow attracting new agencies to cooperation, as well as a large market of WordPress sites and the expansion of hydrogen generation channels will allow attracting new clients not only from Upwork.

Weaknesses can also be "covered" with capabilities, expanding the list of services to compensate for a small list of services. Also expansion of sites for lead generation to compensate for the small number of used channels.

Next, an assessment of opportunities and threats was carried out with the construction of the corresponding matrices (tables 2.6 and 2.7). Among the opportunities that are of great importance for CIT and must be used, are the expansion of sites for lead generation and the expansion of the list of technologies with which the company works.

Table 2.5 – SWOT analysis of CIT enterprise

	<u>Opportunities</u>	<u>Threats</u>
	<ol style="list-style-type: none"> <li>1. Subcontracted projects from partners</li> <li>2. Expansion of the list of technologies</li> <li>3. Expansion of sites with AI</li> <li>4. Optimization of business processes in the team</li> <li>5. Expansion of the list of services</li> </ol>	<ol style="list-style-type: none"> <li>1. Declining demand for business simulation and other digital training services</li> <li>2. Activization of military operations</li> <li>3. Increase in the tax burden</li> </ol>
<u>Strengths</u>	<ol style="list-style-type: none"> <li>1. The high quality of services and a large portfolio allow us to attract new partners to cooperation.</li> <li>2. The large potential market of business simulation and digital learning service</li> </ol>	<ol style="list-style-type: none"> <li>1. Stagnation of the market of IT services and a large market of active sites makes it possible to add site maintenance to the list of services</li> <li>2. A stable, developed lead generation channel can compensate for the impact of the stagnation of the IT services market</li> </ol>
<u>Weak sides</u>	<ol style="list-style-type: none"> <li>1. Expanding the list of services to compensate for a small list of services</li> <li>2. Expansion of sites for ice generation to compensate for the small number of used channels</li> </ol>	<ol style="list-style-type: none"> <li>1. Developing new services or improving existing ones can compensate for a possible decrease in demand for business simulation, diversifying the company's portfolio and reducing dependence on one product.</li> <li>2. Expanding client's channels and actively using digital marketing can help attract more customers who are looking for more comprehensive and personalized solutions than what standard tools offer.</li> </ol>

Table 2.6 - Capability impact matrix

	The degree of influence of opportunities on the company's activities			
		Strong influence	Moderate impact	Little impact
Probability of using opportunities by the company	High	Expansion of sites for hydrogen generation		Subcontracted projects from partner agencies
	average	Expanding the list of technologies	Optimization of processes in the team	
	low		Expanding the list of services	

Table 2.7 – Threat impact matrix

Probability of threat implementation	Possible consequences of the implementation of threats for the company				
		Destruction	Critical condition	Serious condition	Light tremors
Probability of threat implementation	High		Stagnation of the services market	Development of IT simple tools for creating sites	
	average	Development of military operations		Declining demand for WordPress	Active development of the IT services market in Latin America
	low				An increase in the tax burden

The threat of military actions has entered the field of threats that the company must quickly eliminate, but this factor is not under control. It is necessary to eliminate the stagnation of the IT market as a whole as soon as possible, since the company has no direct influence on the stagnation, then the list of basic and additional services provided by the company can be expanded.

A profile of the company's environment was built, a summary profile of the macro-, micro- and internal environment is presented in Table 2.8. The obtained

integral assessments of the degree of importance of the factors allow us to conclude that the macro- and microenvironment is of the greatest importance, but only with a negative orientation. The internal environment does not have such a high integral evaluation, but a positive direction allows using these factors as opportunities.

According to the results of the table, it can be distinguished that for the macro environment the most negative factor will be the expansion of military operations, for the micro environment the negative impact is a decrease in demand for the company's products. For the internal environment, the increase in the number of partners and the expansion of lead generation sites has a positive and most significant impact.

Table 2.8 – Profile of the macro, micro and internal environment

Environmental factor	Importance for the industry, A	Influence on the enterprise, V	The direction of influence, S	Degree of importance, D=ABS
Macro environment				
Development of military operations	3	3	-1	-9
An increase in the tax burden	2	2	-1	-4
Active development of the IT services market in Latin America	3	2	-1	-6
Micro-environment				
Declining demand for WordPress	3	2	-1	-6
Development of simple tools for creating sites	2	2	-1	-4
Internal environment				
Subcontracted projects from partner agencies	3	3	1	9
Expansion of sites for hydrogen generation	3	3	1	9
Expanding the list of services	2	2	1	4
Expanding the list of technologies	2	2	1	4
Optimization of processes in the team	2	3	2	6

The SWOT analysis of CIT confirmed the conclusions obtained from the PEST results, that is, the company has enough strengths and opportunities for





Aggregated scores for each competitive force are presented in Figure 2.1 for clarity. Buyers have the greatest influence on the company. This is due to the fact that the Ukrainian IT market has grown a lot in recent years, and the number of potential customers has decreased. Therefore, the competition in the market of web design and development is very high. Also, the fact that the market is global and the company competes not only with other Ukrainian companies, but also with companies from other countries [40] will play an important role.

Therefore, the conducted analysis demonstrates that:

- the company should focus on the quality of services for its customers and expand the customer base;
- customer research is a priority, it is necessary to be flexible to their needs, tastes and level of purchasing power;
- the stagnation of the IT services market should push the company to take actions to expand the ways of attracting customers and introduce new services.

## Conclusions to the section 2

At the end of the analysis of the financial and economic activity of CIT, it is possible to emphasize several key aspects that were considered in this section.

We provided a detailed overview of the company's activities, considering its history, mission, vision, geography of markets and main areas of activity. This allowed us to better understand the field of activity of CIT and its place in the market of IT services.

We analyzed the company's internal strategic decision-making process, which includes regular meetings of management and key employees to discuss performance results and plan future actions. This emphasizes the importance of teamwork and strategic planning in CIT.

With the help of PEST, SWOT analysis, and Porter's 5 forces analysis, we carried out an in-depth analysis of external and internal factors that affect the company's activities []. This allowed us to identify the main opportunities and

threats, strengths and weaknesses of CIT, as well as assess the competitive environment in which the company operates.

Taken together, these aspects of the analysis of the financial and economic activity of CIT make it possible to more fully assess the current state of the company, its strategic advantages and potential development directions. This information will become the foundation for the further development and implementation of effective strategic initiatives aimed at strengthening the position of CIT in the market and achieving its long-term goals.

## SECTION 3

### DEVELOPMENT OF CIT CORPORATE STRATEGY AND WAYS OF ITS IMPLEMENTATION

#### 3.1 Determination of possible directions of strategic development of the enterprise

To determine the most advantageous strategic position of the CIT company, the matrix of strategic position and assessment of actions SPACE (strategic position and assessment of activities) was used [17, 38, 58]. For this, a numerical value was set for each factor of the group of factors FS (financial situation of the company) and IS (attractiveness of the industry), ES (degree of stability of the external environment) and CA (competitive advantages of the company) in the range from 1 (worst value) to 6 (best) value). The results of factor evaluation are presented in Tables 3.1-4.4.

Table 3.1 – Market conditions, industry attractiveness (IS)

Indicator	Importance to market conditions	Degree of influence								Weighted assessment
		0	1	2	3	4	5	6		
1	2	3	4	5	6	7	8	9	10	
Market size (number of sales in their total value)	0,1							+	0,6	
Market capacity (number of potential buyers)	0,1						+		0,5	
Market growth rates	0,1						+		0,5	
Market structure (relative to competition)	0,05					+			0,2	
Buyer structure (homogeneous or differentiated)	0,1							+	0,6	
The degree of product differentiation	0,05					+			0,2	
The number of competitors and the dynamics of competition	0,1							+	0,6	
Dependence on buyers	0,1					+			0,4	
Dependence on suppliers	0,05		+						0,05	
Dependence on producers of substitute goods	0,1			+					0,2	
The threat of potential competitors	0,15		+				+		0,75	
<i>Total IS:</i>	<i>1</i>								<i>4,6</i>	



Table 3.4 - Financial potential (FS)

Indicator	Importance to market conditions	Degree of influence						Weighted assessment	
		0	1	2	3	4	5		6
The presence of clear goals and indicators for evaluating the effectiveness of the implementation of the chosen strategy	0,05							+	0,3
Correspondence of the organizational structure to the chosen strategy	0,05						+		0,2
Staff competence	0,1							+	0,6
Availability of a business process, compliance with its goals, strategy, organizational structure	0,1				+				0,3
Availability and effectiveness of management systems:									0,2
marketing systems	0,05					+			
planning system	0,1							+	0,6
financial management system	0,1							+	0,6
personnel management system	0,1							+	0,6
The level of innovation implementation	0,05			+					0,1
The level of production and technological potential	0,1							+	0,6
Availability of information resources	0,1							+	0,6
Availability of temporary resources	0,05			+					0,1
Availability of financial resources	0,05					+			0,2
<i>Total FS:</i>	<i>1</i>								<i>5</i>

Therefore, the following integral estimates were obtained:

- factor group FS (financial situation of the company) – 5;
- group of IS factors (attractiveness of the industry) – 4.6;
- factor group ES (business conditions) – 2.94;
- group of CA factors (competitive advantages of the company) – 4.15.

The SPACE matrix was built on the basis of integral estimates.

A point P (x; y) is defined on the coordinate field, where  $x = IS + (-CA)$ ,  $y = FS + (-ES)$ . For CIT, point P (0.45; 2.06). The coordinate system is shown in Figure 3.1.

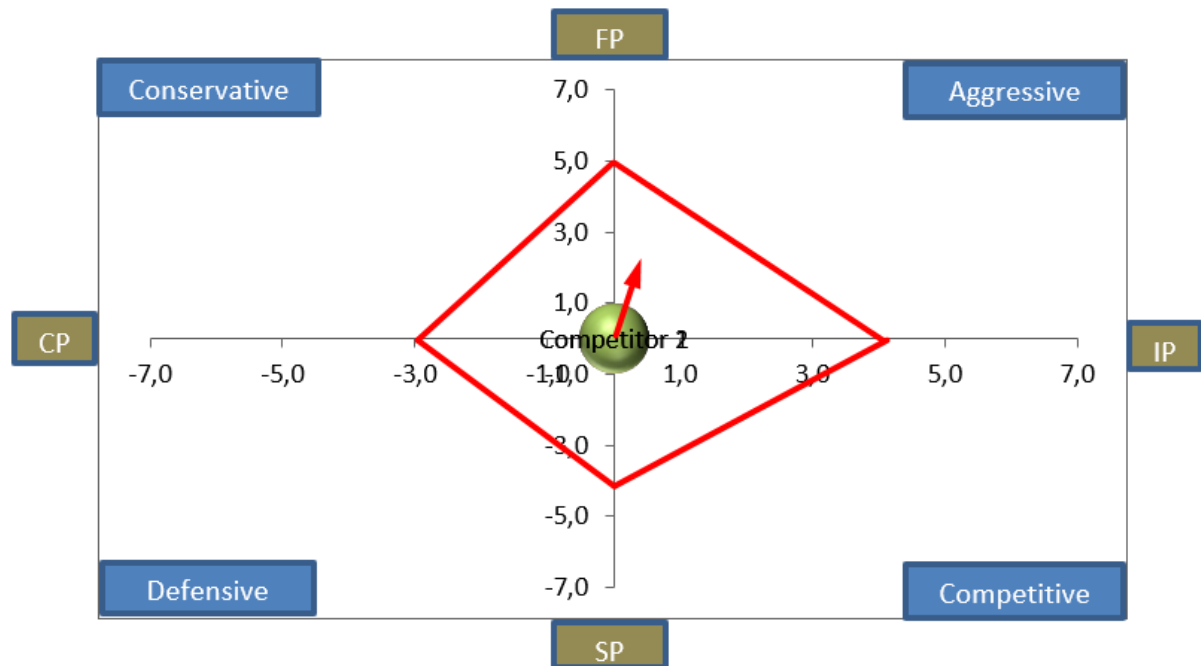


Figure 3.1 – SPACE matrix for CIT  
(Source: built by the author)

The most distant point of the obtained SPACE matrix is in the FS-IS and CA-FS square, that is, the company is in a position of aggressive growth and capture of new markets.

An aggressive strategic position can encourage the company to take the following actions in terms of development:

- Explosive development: The company actively invests in the expansion of its service line and the development of new markets. It is usually quick to implement innovations and technological innovations to leave competitors behind.

- Gaining market positions: The company actively attacks competitors and tries to gain the upper hand in their markets. She can pay attention to the weaknesses of competitors and use them to her advantage.

- Innovation and research: An aggressive company invests in research and development, looking for new ways to meet customer needs and expand its capabilities.

- Launching new products and services: A company often brings new products and services to the market, even if it involves significant expense and risk. It sets the task of taking leadership positions in new markets [66].

Having analyzed the company using various methods, we can conclude that the company has a sufficient number of strengths that can be developed. Weaknesses and threats can also be covered by the company's strengths and opportunities that CIT has before it. SPACE analysis of the company indicates that the company has enough resources and position in the market to implement an aggressive strategy of bringing new services to the market and capturing the market [57, 60].

As part of an aggressive strategy in the market, we can expand the company's sales lines and expand the list of services provided by the company. We will analyze the main strategic ways of development of CIT, namely: the war with competitors and the introduction of new competitive advantages, the expansion of the service market and the introduction of new ways of finding potential customers and working with them, as well as the introduction of new or related services that the company currently provides to increase profits and expansion [25, 26].

### **3.2 Development of a plan for the implementation of the enterprise development strategy**

The concept of a corporate aggressive strategy for a company that develops business simulators in the conditions of distance learning may include the following directions:

#### 1. Marketing and promotion:

Digital advertising: Using digital advertising channels such as social media, search advertising and content marketing to attract attention to the company's products.

Affiliate programs: Conclusion of partnership agreements with educational institutions, trainers or distance learning platforms for joint promotion of products.

#### 2. Product development:

Constant updating: Ensuring constant updating of business simulators, taking into account current trends and user needs.

Expanding functionality: Adding new features and capabilities to increase the value of distance learning products.

### 3. Competitive advantages:

Personalization: Introducing the ability to customize simulators to meet specific user needs.

Content quality: Focus on high quality content and interactivity to ensure competitive advantage.

### 4. Pricing policy:

Flexible Pricing: Offering different packages and pricing to meet the needs of different customer segments.

Discounts and promotions: Holding periodic discounts or promotions to attract new users and retain existing ones.

### 5. Customer support:

24/7 Support: Providing 24/7 support to users to solve their questions and problems.

Online Communities and Forums: Create online communities for sharing experiences and support between users.

### 6. Effective management of resources:

Process optimization: Using effective project and resource management systems to quickly respond to changes and improve productivity.

These directions can help the company increase its market presence and increase competitiveness in the field of distance learning.

organizational conditions that can ensure the successful implementation of this strategy:

#### 1. Communication structure:

- Creation of a clear communication system to ensure effective exchange of information between departments and teams.

#### 2. Flexibility and speed of response:

- Ensuring flexibility and quick response to changes in the market and customer needs.

### 3. Involvement and motivation of personnel:

- Creation of a motivating working atmosphere that promotes initiative and creativity of employees.

### 4. Technological infrastructure:

- Providing a high-quality technical base for product development, testing and support.

### 5. Training and development:

- Providing opportunities for continuous training and development of employees so that they can effectively perform their duties and improve their skills.

### 6. Strategic planning and control:

- Establishment of mechanisms for strategic planning and control over the implementation of tasks and achievement of goals.

### 7. Partnership relations:

- Development of partnerships with other companies, which will allow to expand access to markets and resources.

### 8. Analytics and reporting:

- Implementation of an analytics and reporting system for constant monitoring of strategy results and adjustment of actions in accordance with the received data.

These organizational conditions will help to ensure the effective implementation of the strategy and ensure the success of the company in the conditions of distance learning.

We should understand the stages of implementing the recommendations and the actions that need to be taken. Also, for each task and for each direction, it is necessary to identify responsible persons and develop a reporting system on the work done and results (Table 3.1).

Table 3.1 - Organizational conditions, specific measures, responsible persons and the terms of their implementation

Organizational condition	A specific event	Person(s) responsible	Implementation period
Communication structure	Implementation of the project management system	Project manager	6 months
	Organization of weekly team meetings	Team leader	Immediately
Flexibility and speed of response	Implementation of Agile methodology in development	Technical director	1 year
	Creation of a mechanism for rapid collection and analysis	Business analyst	9 months
	Data for decision-making		
Recruitment and motivation of personnel	Organization of trainings to stimulate creativity	HR manager	1 year
	Introduction of a system of incentives and rewards	Human Resources Department	1 year
Technological infrastructure	Constant updating of technical equipment	IT director	Constantly
	Implementation of the monitoring and support system	Technical department	2 years
Training and development	Development of individual study plans	Educational curator	6 months
	Providing access to online courses and seminars	HR manager	Immediately
Strategic planning and control	Annual strategic planning	CEO	1 year
	Creation of a monitoring and reporting mechanism	CFO	1 year
Partnership relations	Establishing partnership relations with educational platforms and educational institutions	Business development manager	1 year
Analytics and reporting	Implementation of the data analytics system	Analyst	6 months
	Creation of monthly reports on the fulfillment of goals	Management of the company	3 months

### 3.3 Evaluation of the implementation of the development strategy using the Balanced Scorecard

In today's dynamic business world, where the competitive environment is constantly changing, the importance of strategic measurement systems for companies cannot be overstated. Strategic measurement systems are tools that allow

companies to analyze their activities, determine key performance indicators and adapt to changing market conditions. They are critically important for formulating and implementing strategies that contribute to long-term success [9, 10, 15].

The modern approach to strategic management emphasizes the importance of using measurements and metrics as a way to ensure transparency and objectivity in the decision-making process. The use of well-structured strategic measurement systems allows company leaders to evaluate the effectiveness of various aspects of their operations, from marketing initiatives to financial results. Thus, these systems are not only a control tool, but also a means of strategic planning and management [23, 24].

One of the key aspects of strategic measurement systems is their ability to transform large amounts of data and information into useful knowledge that can be used to support strategic decisions. In a world where data is the new currency, the ability to analyze and interpret that data is critical for any company seeking to remain competitive.

It is important to understand that strategic measurement systems must be flexible and adaptive. Given the rapid changes in the global business environment, companies must be ready to quickly adapt their strategies and approaches. Measurement systems that can quickly adapt and update in response to changes in conditions and strategies become a key element in operational support[30].

One such system is the balanced scorecard developed by Robert Kaplan and David Norton. This system is considered revolutionary in the field of strategic management because it allows companies to translate their strategy and mission into a specific set of indicators that measure both financial success and non-financial aspects of performance.

Kaplan and Norton's balanced scorecard includes four main perspectives: financial, customer, intra-process and learning and development. Using these four perspectives allows organizations to achieve a balanced view of their operations, thereby providing a holistic approach to measuring and managing success.

The financial perspective focuses on metrics that reflect a company's financial performance, including profits, return on investment, and revenue growth. The customer perspective focuses on measuring customer satisfaction, customer loyalty, and market share. The internal process perspective tracks the effectiveness of the internal processes that are necessary to meet the needs of customers and the organization's financial goals. Finally, the learning and development perspective focuses on evaluating a company's ability to innovate, improve, and grow.

Kaplan and Norton's system emphasizes the importance of the relationship between these four perspectives and how they interact with each other to achieve the organization's strategic goals. This model is considered one of the most effective for strategic management, as it provides a comprehensive and multifaceted vision of the organization, which is key to the successful implementation and implementation of strategic plans.

The balanced scorecard system, which includes the tasks that were outlined in the previous section, is depicted in Figure 3.3.

In order to implement the selected corporate strategy, we propose to state the mission in the following wording: ""To empower individuals and organizations worldwide through immersive and interactive business simulations, fostering experiential learning, innovation, and strategic thinking in a virtual environment.""

This Balanced Scorecard is designed to align with the corporate strategy of the business simulation game company, focusing on financial growth, customer satisfaction, internal process efficiency, and employee development to foster innovation and sustainable growth.

Thus, based on the presented table of performance indicators, we have identified key parameters for evaluating our strategy in various areas of CIT activities. These indicators serve as benchmarks to measure the success of our work, allowing us to understand how effectively we are achieving our strategic goals [50, 52].

## Financial Perspective:

Goals	Key Performance Indicators (KPIs)	Targets
Increase Revenue	Annual revenue growth rate	15% per year
Cost Efficiency	Operating expenses as a percentage of revenue	< 60%

## Customer Perspective:

Goals	Key Performance Indicators (KPIs)	Targets
Customer Satisfaction	Customer feedback scores	> 85% satisfaction
Retention of Customers	Customer churn rate	< 10% annually

## Internal Business Process Perspective:

Goals	Key Performance Indicators (KPIs)	Targets
Product Development Innovation	Number of new product releases	4 per year
Product Quality	Bug/Error Rate	< 1% of total users per release

## Learning and Growth Perspective:

Goals	Key Performance Indicators (KPIs)	Targets
Employee Skills Development	Training hours per employee	> 40 hours/year
Innovation Culture	Number of new ideas implemented	> 80% of suggestions implemented

Fig. 3.1 – Balanced Scorecard for Corporate Strategy of CIT LLC

*Source: Developed by the author*

Here's an explanation for the Balanced Scorecard (BSC) outlined above:

1. Financial Perspective:

1.1. Increase Revenue:

This objective focuses on achieving sustainable revenue growth. The company aims to increase its revenue by 15% annually, indicating its commitment to expanding its market presence and enhancing profitability.

1.2. Cost Efficiency:

Operating expenses as a percentage of revenue measures the company's ability to manage its costs effectively. Keeping operating expenses below 60% of revenue demonstrates the company's efficiency in resource utilization and cost management.

2. Customer Perspective:

2.1 Customer Satisfaction:

Customer feedback scores reflect the satisfaction level of users with the business simulation games. Maintaining a customer satisfaction rate above 85% indicates the company's commitment to delivering high-quality products and services that meet customer needs and expectations.

2.2 Retention of Customers:

Customer churn rate measures the percentage of customers who stop using the company's products or services over a given period. A customer churn rate below 10% annually indicates the company's ability to retain its customer base by providing value-added experiences and maintaining strong relationships.

3. Internal Business Process Perspective:

3.1 Product Development Innovation:

The number of new product releases indicates the company's focus on innovation and the development of new features to enhance its business simulation games. Releasing four new products per year demonstrates the company's commitment to staying competitive and meeting evolving customer needs.

3.2 Product Quality:

Bug/Error Rate measures the quality of the company's products by tracking the percentage of users affected by bugs or errors. Keeping the bug/error rate below

1% of total users per release indicates the company's dedication to delivering high-quality, reliable products that provide a seamless user experience.

#### 4. Learning and Growth Perspective:

##### 4.1 Employee Skills Development:

Training hours per employee reflects the investment in employee development and continuous learning within the organization. Ensuring that employees receive over 40 hours of training per year demonstrates the company's commitment to enhancing its workforce's skills and capabilities.

##### 4.2 Innovation Culture:

The number of new ideas implemented represents the company's innovation culture and its ability to turn employee suggestions into tangible improvements. Implementing over 80% of employee suggestions indicates a supportive environment that encourages innovation and values employee contributions to the company's success.

Overall, this Balanced Scorecard provides a comprehensive framework for tracking the company's performance across key strategic areas, aligning its activities with its mission of delivering innovative business simulation solutions while ensuring financial sustainability, customer satisfaction, operational efficiency, and employee development.

These indicators will allow us not only to track current results, but also to predict future trends and respond to them with maximum efficiency, thus guaranteeing the sustainable and successful growth of CIT [62].

### Conclusions on Section 3

In this section, we have considered the key aspects of the formation and implementation of the development strategy for CIT. Thanks to a detailed analysis, in particular with the help of SPACE analysis, we have determined that the strategy of aggressive growth is the most suitable for our company. An important element of

this strategy is the introduction of new competitive advantages that will allow the company to distinguish itself in the market and ensure its development.

The main components of the strategy implementation plan include:

1. Increased competitive advantage: This includes improving the quality of services, developing new guidelines for sales and designers, and optimizing processes within the team.
2. Increase in the number of services: This includes the development and implementation of new technologies and upselling related services such as SEO, technical support, content updates, and others.
3. Creating a project plan and implementing guidelines: This applies to all aspects of the process, from design to testing and project handover.
4. Using a Balanced Scorecard to evaluate performance: This is important for monitoring the effectiveness of the strategy and adjusting it depending on changes in the market and in the company.

Thus, considering the above plan and scorecard, CIT has all the necessary tools to effectively implement an aggressive growth strategy. This will allow the company not only to increase its competitiveness in the market, but also to ensure sustainable and dynamic growth in the future.

## CONCLUSIONS

In the first section of the work, we considered the theoretical aspects of strategy formation, the main factors in choosing a strategy and the current state of strategic planning in the world. Theoretical and methodological approaches to the process of strategy formation at the enterprise were systematized. Four main types of strategy have been identified: growth, stabilization, reduction, and diversification. The main factors in choosing a strategy and a model for analyzing activities and factors that affect the enterprise for choosing a strategy and its formation. They considered the theoretical aspects of SWOT and PEST analysis models, the BCG model and others.

At the end of the first section, based on the opinion of experts, they gave their assessment of the current state of strategic planning and trends that prevail in this area. The main trends that currently dominate in strategic planning are digitalization of processes, globalization, sustainable development, adaptive management, and the latest trend is the impact of artificial intelligence on strategy formation.

In the process of analyzing the economic activities of CIT, which has been on the market for more than 10 years and specializes in the development of innovative educational and business products for educators, the corporate segment, and the public, key aspects of the strategic management system were identified. The company, which currently employs 8 specialists, has successfully adapted to the challenges of the rapidly changing digital market, focusing on the quality of services and customer focus. The analysis of the company's internal environment showed that the key factors of its effectiveness are the high level of professional skills of the team, flexibility in work processes and the ability to quickly adapt to changing customer requirements. This allows the company to maintain high quality services and respond quickly to market trends. External factors influencing CIT's strategic position include the globalization of the digital services market, increasing competition, technological innovation, and changes in consumer needs. Taking these

factors into account in strategic planning is important to ensure the company's sustainable growth and development in the long term. Thus, CIT 's research found that flexibility, customer orientation and adaptability to change are the main elements that shape its strategic position in the market. These aspects are critical to staying competitive and succeeding in today's digital world.

As a result of the study, the main strategic directions of CIT development have been identified, which are focused on aggressive growth and expansion of the service portfolio.

With the help of PEST and SWOT analysis, the key factors of the external and internal environment of the company were identified, which became the basis for the formation of the strategy. Further, with the help of SPACE analysis of the enterprise, it was found that the company is at the stage of aggressive growth due to market capture. Based on the results of the analysis, the main directions of the company's strategic development were compiled, namely: increasing competitive advantages, optimizing development and design processes, and ways to attract new customers.

According to the main ways of strategic development, specific actions were drawn up for the company to achieve strategic goals. The actions were presented in the form of a table, which describes the time intervals for the implementation of initiatives and those responsible for the result of their implementation.

To measure the effectiveness of the strategy, it was proposed to use the Balanced Score Card system, which described the key actions and specific metrics for its measurement. For each individual strategic direction of development, several metrics were formed for their analysis and impact on the result.

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