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## SYSTEM OF STRATEGIC MANAGEMENT OF THE DEVELOPMENT OF THE ORGANIZATION

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### *Abstract*

The article discusses the process of organizing and developing the modern system of management strategy and development of the organization in terms of mobility and instability in the market sector. It is necessary to develop an integrated approach to solving the problem of competitiveness of agricultural enterprises. The subject of the research is the system of strategic management of the development of an agricultural organization. The purpose of the study is to comprehensively assess approaches to developing an optimal system for strategic management of the development of an agricultural organization. A competitive assessment of the commercial activities of the organization is one of the tools of managerial decision-making leadership of the organization. Based on the specified model of management of economic stability of the organization, the sustainability of economic activities will be divided into internal and external market. Full-scale work on strategic planning through the modeling of the strategies in terms of risk, establishing criteria of optimal control under uncertainty in which the potential of the strategy of organizations and its internal environment are formed on the basis of the available internal reserves of resources, should ensure the removal of the greater part of uncertainty.

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## **1. Introduction**

At the present stage of development of the economy, an enterprise can function using only its own capital. One must to attract borrowed capital, which significantly increases investment opportunities, which in turn leads to a number of positive changes in the activities of the enterprise: the increase in output, the acceleration of the operating cycle, improvement of the production quality, increase in the yield (Orekhov, Kleimenov, Kuznetsova 2018).

In market conditions and in the conditions of insufficiency of own capital, the functioning of economic subjects is impossible without additional funds (Lvova, Bakunova, Koltsova 2018, Salikov Y.A., Logunova, Kablashova 2019). Consequently, lending to corporate clients, a bank performs a specific role in the economy. Credit resources are the basis of working capital for businesses, which is the basis of continuity of the production process and expands the reproduction of the economy (Armashova 2019). However, corporate business is an extremely risky area of investment, which actualizes the problems of optimization of credit risk of banks in the relationship (Chekudaev, Suyazova, Motina, Matvienko 2019).

In addition, the situation instability in financial markets, crisis and post-crisis state of the financial system are characterized by a significant increase in the share of doubtful and bad debts. In this case, the most common exercise in banking practice aimed at reducing credit risk modeling is the process of management of economic sustainability of the organization (Narizhny 2019).

The need for strategic management in organizations is due to the high level of risk and uncertainty in the external environment. A large diversity and a high level of variability characterize internal and external factors of enterprise development at the present stage. The impact of external factors in the conditions of unstable market situation and the weakness of state regulation is often predominant (Slinkova, Slinkov, Yasenok, Glumova, Zdorovets 2018).

The cyclical nature of all economic systems determines the objectivity of the occurrence of negative trends, due to which the threat of crisis always exists. In this regard, there are three interrelated objectives of crisis management: crisis recognition, prevention and financial improvement of the crisis enterprises (Nezhelchenko, Yakovenko, Khudobina, Sklyarova, Seliverstova 2017).

Producers often face such problems as lack of funding, the complexity of the conversion of the existing system of production and low rates of its development, the obsolescence of fixed assets, poor management quality, etc. (Anichin, Dobrunova, Epifantsev 2020).

Each of these issues can provoke a crisis situation at the enterprise. In this regard, the analysis of the financial condition of the organization with the use of complex methods of diagnostics, the results of which serve as the analytical basis for the formation of strategies of crisis management is especially significant, according to many authors (Gurina, Rummyanceva 2019).

In our opinion, the matrix of the strategy of crisis management, based on such elements as analysis of the life cycle stage and the type of financial stability for two main scenarios of market growth and decline, is of significant interest.

Using a specified matrix will allow companies to prevent the onset of the crisis or to choose the main direction of action in terms of its occurrence with the objective of minimizing negative consequences (Agibalov, Zaporozhtseva, Tkacheva, Marysheva 2018).

In contrast to the strategy of the company, the main goal of strategic management is not development, but maintaining a certain level of financial stability while ensuring ongoing solvency of the enterprise (Galimova, Pasyukova, Chaikovskaya 2019).

Therefore, the main strategic goal for businesses at the moment should be the development and implementation of measures to improve financial performance (Kudryavtseva, Pakhomova, Duvanova (2019).

The most important elements of the strategic management are strategic analysis and state of the enterprise.

With the aim of improving the financial condition and strengthening financial stability of the company, we proposed the formation of the anti-crisis strategy to implement in phases. So the basic steps should be:

- analysis and assessment of external and internal environment of the enterprise;
- adjustment of the goals and objectives of functioning of the enterprise;
- development and analysis of strategic alternatives;
- choice of the strategy;
- implementation of the strategy;
- analysis of the results;
- determination of the effectiveness of anti-crisis strategy and make adjustments to the stage of development of strategic alternatives.

## **2. Problem Statement**

In the current state of affairs, agricultural enterprises are often faced with problems of management and financing, mainly due to the specifics of production, a high level of competence of personnel of the appropriate level. Therefore, it is necessary to develop an integrated approach to solving the problem of competitiveness of agricultural enterprises.

## **3. Research Questions**

The subject of the research is the system of strategic management of the development of an agricultural organization.

## **4. Purpose of the Study**

The purpose of the study is to comprehensively assess approaches to developing an optimal system for strategic management of the development of an agricultural organization.

## **5. Research Methods**

A competitive assessment of the commercial activities of the organization is one of the tools of managerial decision-making leadership of the organization for arranging the process of modeling the strategic development of the organization goals.

In turn, it should be noted that the low solvency of the population and rising prices constrained the development of many organizations and the planning of production costs and search of reserves for reducing costs is one of the main tasks of any business entity.

The composition of the specific characteristics of the modern organization includes its industry, the profile and nature of produced goods and services. The achievement of the selected goal or planned result of commercial activities provided by the prediction of possible deviations from objectives and related losses. Thus, there is the importance of timely identification of the source of risk, and the availability of the list of valid risk factors (Agibalov, Zaporozhtseva, Tkacheva, Marysheva 2018).

The stability of the production system of the organization is ensured by keeping within these boundaries, fluctuations in the structure of its capital and parameters of the process of reproduction due to the influence of internal and external perturbations.

The potential development strategy of the organization and its internal environment, based on available internal resources (labour, intellectual, material, commodity, etc.) and stabilization of the system, maintaining its homeostasis, is provided by the control mechanism, adapting the organization to changing conditions of its functioning (Muraveva, Talalaeva 2019, Sabetova 2018).

Among the features of crisis management, we highlight the sensitivity to the time factor, which delayed reaction to some of the changes and leads to irreversible effects, including the liquidation of the company.

Therefore, a mechanism is needed for the formation and algorithm of the choice of a particular strategy of crisis management for timely managerial decision-making, which are formed following the identification of symptoms of the crisis and its immediate causes in the process of developing programmes to address the crisis.

Strategic choice involves generating a series of strategic alternatives based on the goals of the enterprise, its strengths and weaknesses, and external opportunities and threats.

To the greatest extent, the strategic approach in planning can be traced in the matrix, Thompson-Strickland, where the strategy of the enterprise is classified with the position of the growth of the market and type of competitive positions, as well as in the matrix. Arthur D. Little built two variables, reflecting the maturity (life cycle) sector of the economy and a company's position relative to competitors (Merenkova, Dobrunova, Sidorenko, Zharikova 2020).

However, these matrices offer a definition of the main strategies of the company and do not sufficiently reflect the specifics of crisis management.

To ensure the competitiveness of the organization, in conditions of high instability and mobility of the market, the organization needs in the mechanism of the control system development use strategic forms of governance, the vector of which is directed towards achieving maximum and optimum results. On the basis of the strategic management process, the focus is shifted to the functional areas of planning:

1) first is the distribution function. This process includes a planned allocation mechanism of all kinds of resources. Efficient allocation of resources in different economic and business systems is a complex movement function of the strategic planning;

2) second is the function of adaptation, that is, adaptation to the environment. Adaptation should be viewed as change management and adaptation to market conditions. However, the effectiveness of operational management programs can be achieved only with the provision of new opportunities and provide the organization with the most favourable mechanism of adaptation to the external environment;

3) third is the function of coordination and regulation. This function is defined as the process of harmonization of structural divisions of the organization, including achievement of the objectives of the strategic plan as a business strategy is a somewhat complex system of interrelated goals, whose elements should be clearly linked among themselves because of their interdependence. This bond is created by forming productive and engineered systems, as well as through the presence of the Supreme administrative resources responsible for the coordination process;

4) fourth is the function of the organization. The organizing process is built through changes to the existing planning framework that provides an organization with the harmonic mechanism of the interaction of human resources and development thought leaders (based on past experience of strategic planning). Ultimately, this feature shows the various organizational changes in the organization, redistribution of management functions, powers and responsibilities of personnel, and creating incentives to make its own contribution to the achievement of its strategic objectives.

## 6. Findings

In the simulation of the process of management of economic stability of the organization, the process of finding the most effective strategic management should be associated with the maximization of distribution density of values of the objective function and of the reality of its achievements. It is possible to formulate a refined optimality criterion of management strategy. It follows that the ability to control the sustainability of economic activities of the organization must come in the form of a number of the following areas, namely:

- internal activities through logistics and production activities;
- activity on the market through the implementation of new kinds of production, works, services in the domestic market of the country and the realization of the potential of foreign economic activity as part of the innovative economic and entrepreneurial activities.

Based on this modeling, the process of management of economic stability of the organization is determined by:

1) first, the formation of the system of risk management, which is based on the subject of management (special group) with feedback and the selected estimation algorithm;

2) second, risk management methods, depending on their typological characteristics (for example, methods of risk dissipation used in the case of the desire of the organization to reduce the level of person-

al risk with the involvement of other organizations; payment methods risk used in the enterprise in the form of a strategic planning system);

3) third, the modeling of the process of formation of strategy;

4) fourth, the establishment of criteria of optimality of control strategies in terms of risk.

Based on the specified model of management of economic stability of the organization, the sustainability of economic activities will be divided into internal (manufacturing, logistics, etc.) and external market (domestic market and foreign trade activities in the form of the business).

## 7. Conclusion

Thus, a systematic approach of organizing the process of modeling the strategic development of the organization implies that each element of the system is an integrated whole object that allows you to present a modelled object as a set of interrelated subsystems, united by a common goal. Thus, we reveal its interactive properties, internal and external communications, including the emergence and manifestation of the risks.

Based on that, including the essential economic content of the category of risk, there is a need for the formation of organizational and economic systems of risk management. That is, the creation of conditions preserves the organization's ability to protect its financial position and commercial stability in the conditions of mobility and instability of the market in place for its functioning.

Modeling the process of management of economic sustainability of the organization and risk management must be built on the basis of measures aimed at reducing the risk of making a wrong decision and reducing the potential negative effects of undesirable developments in the implementation of the decisions taken.

Thus, full-scale work on strategic planning occurs in the modeling of the strategies in terms of risk. This establishes criteria of optimal control under uncertainty in which the potential of the strategy of organizations and its internal environment are formed on the basis of the available internal reserves of resources. That should ensure the removal of the greater part of uncertainty, which will manifest the manifestation of the bottlenecks in the organization.

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