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# FORMATION OF THE SYSTEM OF AGRO-INDUSTRIAL INTEGRATION IN THE CONTEXT OF STRATEGIC MANAGEMENT OF THE AGRO-ENTERPRISES DEVELOPMENT

## ФОРМУВАННЯ СИСТЕМИ АГРОПРОМИСЛОВОЇ ІНТЕГРАЦІЇ У КОНТЕКСТІ СТРАТЕГІЧНОГО УПРАВЛІННЯ РОЗВИТКОМ АГРАРНИХ ПІДПРИЄМСТВ

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The article examines the issue of strategic management of the development of agribusiness enterprises based on the formation of the system of agro-industrial integration. The essence of the concept of "management method" is defined as a way of influencing the subject of management on the object in order to achieve the set goal. The existing classifications of management methods are considered, followed by the selection of economic methods. A methodical approach to setting and solving problems of strategic management of enterprise development based on the formation of a system of agro-industrial integration of enterprises is justified. The feasibility of using a resource approach to the development of economic relations between enterprises as a basis for the development of economic entities in agro-industrial production has been proven. The essence of the resource (logistic) approach to the formation of a system of strategic management of the development of agro-industrial complex enterprises consists in the organization of rational management of flow processes of resources, as one of the leading factors of the competitiveness of systems. **Key words:** strategic management; agro-industrial integration; resource approach; management method; agro-industrial production; synergistic effect.

В статті розглянуто питання особливостей стратегічного управління розвитком підприємств аграрного виробництва на основі формування системи агропромислової інтеграції. Розробка і реалізація нового підходу до побудови системи стратегічного управління розвитком підприємств аграрного виробництва можлива на основі ресурсного підходу, який отримав подальший розвиток в теорії логістики. Сутність ресурсного (логістичного підходу) до формування системи стратегічного управління розвитком підприємств агропромислового виробництва полягає в організації раціонального управління потоковими процесами ресурсів, як одного з провідних факторів конкурентоспроможності систем. Логістичний підхід відображає нове розуміння бізнесу, при якому окремі підприємства та організації розглядаються як елементи цілеспрямованої системи, прямо чи опосередковано пов'язані в єдиному інтегрованому процесі для найбільш повного задоволення потреб населення та досягнення поставлених цілей системи. Ресурси, що залучаються в поєднанні один з одним у процесі створення сільськогосподарської продукції, різноманітні, проте з позиції економічної сутності всі реальні ресурси об'єктивно зводяться до чотирьох видів: природні ресурси; кадрові ресурси; матеріально-технічні ресурси; інформаційні ресурси. Як самостійний ресурс виділяють також організаційно-управлінську силу, структуровану у певні органи управління. Вона забезпечує комбінування всіх видів ресурсів. Комбінування ресурсів взаємодіючих і взаємозалежних підприємств аграрного виробництва приносить позитивний синергетичний ефект, а саме приріст сукупного ефекту, отриманого від спільної діяльності, що перевищує суму індивідуальних ефектів усіх учасників інтеграції, розраховану так, начебто вони відокремлені організації, чим і обґрунтовується доцільність інтеграційного процесу. Економічна інтеграція характеризується поглибленням взаємодії, розвитком зв'язків між підприємствами аграрного виробництва в рамках технологічного процесу. При цьому з усього різноманіття методів управління розвитком підприємства особливу актуальність і практичну значущість набувають економічні методи управління, що обумовлено необхідністю погодження економічних інтересів учасників створення сільськогосподарської продукції на основі формування для них рівних економічних умов при організації цілісної інтегрованої системи при єдиних стратегії, тактиці, цілях та завданнях розвитку. Ключові слова: стратегічне управління; агропромислова інтеграція; ресурсний підхід; метод управління; агропромислове виробництво; синергетичний ефект.

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Statement of the problem in a general form and its connection with important scientific or practical tasks. In modern business conditions. when the business methods based on market relations are the basis of the activity of commodity producers, the issue of strategic management of the development of agro-industrial production enterprises acquires a new meaning, which requires a rethinking of approaches to the formation of a strategy for the development of economic entities. The war made the functioning of agricultural production extremely difficult due to the disruption of logistics chains, the destruction of agricultural infrastructure, the demining of fields, the reduction of production volumes, the blocking of sales markets, etc. However, despite the difficult conditions, agricultural production has prospects for development.

Analysis of the latest research and publications in which the solution to this problem was initiated and on which the author **relies.** The scientific foundations of strategic management of enterprise development were created and developed by many generations of scientists and practitioners from different countries. In the works of I. Ansoff, J. Galbraith, By. Karlof, Do. McConnell, D. Patanson, M. Porter, J. Strickland, A. Thompson, C. Hoffer, K. Andrews, I. I. Lukinova, P. T. Sabluka, V. M. Trehobchuka, M. A. Khvesyka, M. G. Chumachenko, O. M. Tsarenko, etc. received coverage of the issue of using strategy as a tool of cross-functional integration at enterprises, as a means of establishing relationships between enterprises and the environment.

Highlighting previously unresolved parts of the overall problem. At the same time, some aspects of the strategic management of the development of agro-industrial production enterprises have not yet been adequately covered. In the conditions of a shortage of investment resources, disparity in prices for agricultural products and material resources, construction services, dependence of the labor results of agricultural producers on natural and economic conditions, the issue of ensuring mutual interest, interaction and interdependence of participants in the technological chain of production of agro-industrial production acquires special significance.

Formulation of the goals of the article (statement of the task). The purpose of this work is to justify a methodical approach to setting and solving problems of strategic management of enterprise development based on the formation of a system of agro-industrial integration of enterprises.

Presentation of the main research material. The development and implementation of a new approach to the construction of a system of strategic management of the development of agro-

industrial production enterprises is possible on the basis of the resource approach, which received further development in the theory of logistics. The essence of the resource (logistic) approach to the formation of a system of strategic management of the development of agro-industrial complex enterprises consists in the organization of rational management of flow processes of resources, as one of the leading factors of the competitiveness of systems. The logistics approach reflects a new understanding of business, in which individual enterprises and organizations are considered as elements of a purposeful system, directly or indirectly connected in a single integrated process for the most complete satisfaction of the needs of the population and achievement of the set goals of the system.

«Logistics is the science of managing ecological, social, and economic systems of various hierarchical levels by optimizing the flow processes occurring in them» [3, p. 33]. According to the logistic approach to the formation of a system of strategic management of the development of agro-industrial production enterprises, no enterprise is able to create all the resources it needs, moreover, not every type of activity can be carried out by the enterprise itself to make it self-sufficient. Resources involved in combination with each other in the process of creating agricultural products are diverse, but from the standpoint of economic essence, all real resources can be objectively reduced to four types:

- natural resources (land, water resources, air pool taking into account its qualitative characteristics, agricultural land, all types of mineral deposits, flora and fauna of natural origin);
- personnel resources (workforce of working age with taking into account its various characteristics, including the state of health, the level of education and professional training, the degree of discipline, initiative, purposefulness in work, the ability to improve qualifications and adapt to changing conditions, etc.);
- material and technical resources (all types of means of production, created by man, which are divided into fixed capital and working capital in its real form);
- information resources (R&D, arrays of information on all types of media from printed products to computer data banks, including all accounting and statistical information, educational and cultural potential of society, all types of intellectual and information services, including educational and consulting, design and estimate documentation, any types of technical information, etc.).

Organizational and management force, structured in certain management bodies, is also distinguished as an independent resource. It provides a combination of all types of resources

[2, p. 164]. At the same time, the formation of a financial flow based on the combination of the above-mentioned resources is important, as a necessary condition for the return of funds invested in production. The application of the logistic approach to the formation of the system of agro-industrial integration requires, first of all, a clear interpretation of the concept of «flow». In the article, we use the «category «flow» as such, which does not require explanation» [4]. We agree with the definition of the concept of

«flow»: «The transition from chaotic to orderly movement of matter, its elements (resources) marks the emergence of a flow. Hence, the following definition of flow can be given: flow is the orderly and purposeful movement of its elements» [4, p.38]. In our opinion, it is expedient to classify resource flows existing at agroindustrial production enterprises according to the following main characteristics: by composition, in relation to the enterprise, by direction, functional purpose (tab. 1).

Table 1
Classification of resource flows of agricultural production enterprises

Classification sign	Stream groups	Types of streams	Examples of streams
		Matter	Material
	Simple	Energy	Energetic
		Information	Informational Financial
By composition	Compound	Combined	Personnel resources Fixed assets Working capital
	Internal	Limited by the structure of the enterprise	Materials of own production, which are used at the enterprise. Information for internal use. Personnel resources
In relation to the enterprise	External	Which operate outside the enterprise	Material Informational Personnel resources Material and technical resources
	Direct	From the beginning of the technological chain of creation of final products to the end	Material Informational
By direction	Reverse	From sales to creation of raw materials	Material Waste
	According to the main management functions	Planning Organization Analysis Control	Informational
By functional purpose	By specialized management functions	Work with personnel Material and technical supply Transportation	Personnel movement Purchase of raw materials and materials Reproduction of fixed capital

Source: systematized by the author according to [6, 8].

Material flows generated by agricultural production – the main supplier of raw materials for enterprises in many branches of the national economy - have a number of features. Agricultural enterprises are characterized by the use of living organisms as the main means, which often leads to the generation of two or more material flows, which differ significantly from each other in properties and ways of promotion to the final consumer. Thus, two material flows are obtained from a dairy herd of cattle: milk and calves. Internal production use is possible for both streams [7, p. 6].

Attention should be paid to the following feature, characteristic of a gricultural enterprises – the material flow at almost any stage can simultaneously be a raw material for the next stage of the technological

chain of production. For example, grain produced by an agricultural enterprise can simultaneously be used as seed at this or that enterprise, and can be used as raw material for the flour industry. In turn, the produced flour will be a raw material for the bakery industry, but can be sold as a final product.

Combining interacting and interdependent resources agricultural production enterprises brings a positive synergistic effect, namely, an increase in the aggregate effect obtained from joint activity, which exceeds the sum of the individual effects of all integration participants, calculated as if they were separate organizations, which justifies the expediency of the integration process. In this regard, in the conditions that formed the motive for the behavior [10] of enterprises, the maximization of the

effect of joint activity, obtaining a synergistic effect, based on cooperation as a form of their interaction, should take place. Thus, the most important feature of the strategic management of the development of agricultural production enterprises is the growth of interdependence and interaction of independent farms, their subjects, which in economic science is characterized by the concept of economic integration.

Economic integration is characterized by the deepening of interaction, the development of ties between agro-industrial complex enterprises within the framework of the technological process. At the same time, of all the variety of methods of managing the development of an agro-industrial production enterprise, economic methods of management acquire special relevance and practical significance, which is due to the need to reconcile the economic interests of participants in the creation of agricultural products on the basis of the formation of equal economic conditions for them in the organization of a complete integrated system with a single strategy, tactics, goals and objectives of development. The practical application of economic methods of managing the development of enterprises in the system of agro-industrial integration is impossible without revealing the very essence of management methods as the most important economic category.

From the analysis of existing approaches to defining the essence of the concept «management method» [4, p. 49], it follows that the essence of management methods comes down mainly to ways of influencing the subject of management on the object to achieve the set goal. In this regard, we consider it necessary to consider the existing classifications of management methods, followed by the selection of economic methods.

Under economic management methods, we understand the means of influencing economic relations and the corresponding needs of economic entities. They include: a system of material incentives, taxation, insurance, profit distribution, pricing, lending, subsidies, material sanctions, etc. The concept of «economic management methods» is identified with the concept of «economic levers», which are defined as tools of economic management; include the system of prices and tariffs, financial and credit relations, taxes, etc. [4, p. 153].

As economic methods, we consider economic regulators, by which we understand the mechanisms and institutions, with the help of which the distribution of resources and the formation of proportions is carried out in the national economy. In a market economy, these include systems of market regulation and the markets themselves, a system of state regulation tools and state institutions [5, p. 112].

Management methods are understood as methods of influence of the subject of management on collectives and individual employees in order to achieve the set goal. From the conducted analysis of the essence of economic methods and the opinions of authoritative scientists in this field, it follows that in the process of managing the development of the system of agro-industrial integration based on the logistic approach, the following methods are more important: pricing, contractual relations, and wages.

It is an important method of management in the existing conditions establishment of internal prices, which reflect price proportions during the movement of goods (services) within the technological chain of agricultural production, unity of price, financial and investment policy, and prices, mechanisms, factors and parameters of internal pricing may differ significantly from the external, market space [4]. With internal prices, participants in the creation of products can regulate the distribution of costs and profits according to technological cycles, thereby increasing the competitiveness of final products. At the same time, the accumulated financial effect can be redistributed to any link of agro-industrial production, based on external economic conditions, market environment and set goals. Internal prices can be set at the level of market costs, including the minimum level of profitability in the price. As an integrating component of the mechanism of internal economic interaction within the technological chain of agro-industrial production. In this regard, contractual relations perform not only the functions of legal support of contracts, but also an economic purpose from the standpoint of implementing the norms, rules, regulations contained in the contract. The agreement regulates the act of purchase and sale of resources, the order of the main enterprise for the production of a certain volume of construction works of the appropriate quality, the provision of property for rent and other economic and economic relations.

Salary is the main motive of people's labor activity and a monetary measure of the value of labor power, while the standard of living of employees of agro-industrial production enterprises is of great importance. It should be taken into account the fact that the agricultural sector has a low level of remuneration, and the labor force is formed from the inhabitants of the village. The process of forming the workforce must meet the needs of production, ensure its effective development and reproduction. In order to ensure the influx of labor in the field of agriculture, it is necessary to create decent living conditions in rural areas, to ensure access to health care, education, and culture. The construction of hospitals and schools plays a key role in this. Buildings of culture and other objects of cultural and household purpose. Thus, the relatively low level

of wages for those employed in agriculture can be compensated by a package of social services.

Conclusions from this study and prospects for further research in this direction. Agroindustrial integration of enterprises is one of the effective ways out of the crisis of a number of branches of the national economy, especially in the conditions of war and energy crisis. This process involves the organization of relations between partners of the real sector of the economy based on the use of complementary resources of all types and can provide an opportunity to obtain a positive synergistic effect based on the coordinated activity of participants in the technological chain of

agricultural production. At the same time, the use of economic methods of managing the development of the agro-industrial integration system ensures:

- stable position, competitiveness of enterprises – participants in the technological chain of agro-industrial production;
- the interest of enterprises in high final results of joint activities, to ensure the fulfillment of their mutual obligations;
  - equivalence of exchange and distribution;
- balanced reproduction of the material and technical base and

labor resources of each participant in the technological chain of agricultural production.

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