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# ON THE STRUCTURE AND CLASSIFICATION OF TYPES OF STRATEGIC BUSINESS POTENTIAL

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**Abstract**. The strategic potential allows organizations to identify opportunities to achieve important goals in the future, detect threats and improve the efficiency of any business. Ensuring business efficiency and competitiveness now and in the future depends on the quality of strategic potential management. Therefore, the question of a deeper study of the strategic potential is important for Ukrainian businesses.

The purpose of the article is to propose a classification of types of strategic business potential and systematize of structural characteristics of strategic potential.

Research methods: generalization, analysis, synthesis, induction, deduction, and systematization to identify structural characteristics of strategic potential, to reveal a classification of types of strategic business potential, form conclusions; tabular representation for visual display of research results.

In the process of strategic management, it is important to understand that the strategic potential can be classified according to the following criteria: regarding the environment, the level of profit generation, the visibility of components, and the form of existence; regarding market development, and the company's resources. The author developed a classification of the strategic potential of a business by the orientation of the activity; regarding areas of activity; according to the obtained business results and the level of compliance with the formulated strategic goals; according to the level of implementation; regarding the impact on business activity and development; according to the degree of originality; according to the possibility of forecasting the process of realization of strategic potential; according to the ability to solve the task. The criteria of systematization of structural characteristics of strategic potential should include types of internal aggregate (composite) variables of strategic potential; types of local potentials as a set of resource components; types of partial potentials; types of components of strategic potential based on the organizational structure; types of functional and resource spheres outlining the strategic potential. These aspects are necessary for studying the process of strategic potential management, as well as strategic management of business development in general, increasing the competitiveness and efficiency of the organization.

**Keywords:** business, strategic management, organization, strategic potential, systematization, structural characteristics, classification, resources, development, resource support.

Formulation of the problem. Modern market conditions of business are characterized by high instability and uncertainty. This is a significant obstacle to ensuring the sustainable development of Ukrainian enterprises in the long term. To ensure the economic development of business, it is necessary to study the influence of internal and external factors and pay attention to forming strategic potential. The strategic potential allows organizations to identify opportunities to achieve important goals in the future, detect threats and improve the efficiency of any business. Ensuring business efficiency and competitiveness now and in the future depends on the quality of strategic potential management.

**Analysis of recent research and publications.** In the scientific literature, specialists have paid considerable attention to the problem of managing strategic potential and identifying elements of strategic potential. Such scientists were engaged in the study of issues devoted to the definition of the elements of strategic potential, Grünig R. [1], Kühn R. [1], Morschett D. [1], Herasymchuk V. [2], Kvint V. [3], Ladonko L. [4], Hanzha M. [4], Mirza J. [5], Pavlov K. [6], Pavlova O. [6], Shostak L. [6], Romanyuk D. [6], Pavlova V. [7], Potupalo N. [7], Yurynets Z. [8], Kruhlyakova V. [9], Maksymiv B. [10], Stankiewicz M. [11], Strategor I. [12], Witczak H. [13], et al. Despite the powerful scientific works of Ukrainian and foreign scientists in the field of strategic management and strategic potential, we believe that these issues have not yet been sufficiently researched. Therefore, it is necessary to reconsider the existing works and systematize of structural characteristics of strategic potential and develop a classification of types of strategic business potential.

**Research objectives.** The purpose of the article is to propose a classification of types of strategic business potential and systematize of structural characteristics of strategic potential.

Research methods: generalization, analysis, synthesis, induction, deduction, and systematization to identify structural characteristics of strategic potential, to reveal a classification of types of strategic business potential, form conclusions; tabular representation for visual display of research results.

Presentation of the main research material. The strategic potential of a business is a complex of interconnected elements that are necessary for the effective development and growth of business activity in the future. The elements should include: strategic own and attracted resources, reserves, created potential opportunities, and key competencies.

The purpose of forming the strategic potential of a business is to ensure more effective ways of using the company's resources, reserves, and opportunities to implement its strategy as efficiently as possible at all stages of development.

The strategic potential must be configured for a new opportunity and strategic tasks to ensure a competitive position in the market based on the established goals and their timely adjustment [2, p. 7].

The full strategic potential is determined by the organization's level of effort and opportunities, thanks to which it solves any tasks of strategic success, regardless of the context of aspirations, circumstances, and limitations. The level of strategic potential is determined by the type (range) and degree of intensity of the signs of strategic potential.

Systematization of structural characteristics of strategic potential was carried out according to the following criteria: types and internal aggregate (composite) variables of

Table 1

strategic potential; types of local potentials as a set of resource components; types of partial potentials; types of components of strategic potential based on the organizational structure; types of functional and resource spheres outlining the strategic potential (table 1).

Systematization of structural characteristics of strategic potential

Systematization of structural characteristics of strategic potential			
Criteria	Description		
1	2		
Types of internal aggregate (composite) variables of strategic potential	- the core of strategic potential (coordination of content, size, and structure; property, capital, knowledge, etc.; strategic horizon; identity (specificity; genesis)); - strategic flexibility (speed of reactive and anticipatory action); - strategic uniqueness (level of imitation, complementarity, substitutability); - strategic competencies (abilities, talents, qualifications, professional level; specialization/universalization); - strategic efficiency; - strategic attractiveness for the environment; - strategic manageability (control over timely execution of powers, information provision, level of the organization of business activity, motivation, leadership styles, etc.)		
Types of local potentials as a set of resource components	- resource and raw materials (raw materials, materials, stocks, warehouse resources); - production (main production funds, technologies, production areas); - financial (own and attracted resources, current assets); - labor (number of staff, level of qualifications and competencies, experience, age, and educational structure of staff); - organizational and management (business management system, organizational and economic support of the management process); - innovative (scientific and technical (R&D) and innovative potential); - investment (investment resources, investment climate, investment attractiveness of the business, access to credit); - information (information products, information system, information process); - infrastructural (participate in select divisions of the business, providing feedback on suggestions); - marketing (business's market share, sales volumes, demand for products or services, level of competition, volume of the orders portfolio, advertising campaign, and sales promotion activities); - ecological (level of environmental pollution, availability of environmental infrastructure and technologies); - reserves (internal production and non-production)		
Types of partial potentials	- targeted; - information; - motivational; - organizational; - operational; - economic		
Types of components of strategic potential based on the organizational structure	built on a network approach, which is based on the following types of strategic potential components:  - the potential of combination (the possibility to enter into relations with other components of the structure),  - the potential of cohesion (the ability to ensure the integrity of a set of components),  - activation potential (determination of the principles of operation of components)		

1	2
Types of	- information;
functional and	- research activities (research and development);
resource spheres	- production;
outlining the	- quality management;
strategic potential	
	- distribution;
	- marketing;
	- finances;
	- organization and management;
	- staff recruitment and selection;
	- intangible resources

Source: compiled based on [4; 11–12]

Stankiewicz M.J. [11] singles out the following functional and resource areas that outline the strategic potential: information; research activities (research and development); production; quality management; logistics; distribution; marketing; finances; organization and management; staff recruitment and selection; intangible resources. The following elements of strategic potential that belong to the field of scientific research activity can be identified: knowledge of staff engaged in scientific research activity, technical equipment, or cooperation with other scientific institutions. In production, the main elements are technologies, qualifications, knowledge of relevant staff, and the degree of computerization of industrial processes. Important elements of quality management are quality assurance systems, availability of product quality certificates, and degree of involvement of top management in the implementation of high-quality assurance programs. Components of logistics are access to sources of supply, the convenience of business location regarding sources of supply, and methods of communication with suppliers. The main elements of the marketing field include the sales network density, product line, knowledge of the current situation in the served markets, and knowledge of the needs, preferences, and behavior of customers. In the field of finance, the main elements are the financial potential and the level of unit cost. The strategic potential of a business in the field of staff recruitment and selection depends on the level of education, innovative and creative approach of employees, loyalty, and desire to improve their qualifications. The sphere of organization and management includes a considerable number of elements, in particular: the size of the enterprise, the presence of the development strategy, knowledge of the sources of competitive advantages, managerial competencies, and cooperation with research, scientific, and consulting institutions. The sphere of intangible resources includes the reputation of the business, the presence of loyal customers, the ability of the enterprise to learn and actively compete, and the capacity to create informal relationships with decision-making centers in the external environment.

Strategic potential can be described as the ratio between the strategic potential of the organization's internal environment and the strategic potential of the external environment in the same strategic horizon. This interpretation reveals the concept of strategic position. The result of strategic potential is strategic changes occurring in the space. From the perspective of future business development, the strategic potential is the ratio of the current potential of the internal environment to the future potential of the internal environment (in the strategic horizon). The most important problem is to determine the future potential of the internal environment. At the same time, the potential of the internal environment is the main tool for transforming the potential of the external environment. After all, the strategic potential is a complex and eclectic sum of the internal and external ability of a business to change [13].

The presence of strategic potential in the organization does not mean clear success in the strategic future. There are cases when the organization has the "required" (relatively high and adequate) strategic potential and still does not achieve the expected strategic success. The common classification of strategic business potential is given in Table 2.

Common classification of strategic business potential

Table 2

Criteria	The main types of strategic potential
Regarding the environment	- Internal strategic potential - External strategic potential (competitors, intermediaries, suppliers, customers, etc.)
According to the level of profit generation	- Profitable strategic potential - Unprofitable strategic potential
Regarding the visibility of components	<ul><li>Clear (potential transformed into competitive advantages in the present tense)</li><li>Hidden (with the possibility of transformation into clear)</li></ul>
According to the form of existence	- Material - Intangible
Regarding market development	- Aimed at finding new markets - Aimed at maintaining old markets
Regarding the company's resources	<ul> <li>Technical (equipment, etc.)</li> <li>Production and technological (fixed assets, methods of production of goods and services, production technologies, etc.)</li> <li>Information (information storing and processing system, sources of information, information distribution and transmission channels, information products, information system, etc.)</li> <li>Management (organizational structure of management, flexibility, and adaptability of the management subsystem, organization level of processes, etc.)</li> <li>Financial (status of assets and liabilities, the status of own and attracted of financing, investments, etc.)</li> <li>Personnel (composition and structure, individual characteristics of employees, a system of motivation and development, etc.)</li> <li>Intellectual (personnel competence, patents, know-how, licenses, research developments, etc.)</li> <li>Corporate (culture, image, values, etc.)</li> </ul>

Source: compiled based on [6; 7; 8; 9; 10]

The classification of strategic business potential developed by the author is given in Table 3.

Table 3 Classification of strategic business potential developed by the author

Criteria	The main types of strategic potential
By impact on business activity and development	- The potential that significantly affects business activity and development - The potential that partially affects business activity and development - The potential that has an insignificant effect on the business activity and development
Regarding the orientation of the activity	- Oriented to products or goods, and services - Process-oriented
Regarding areas of activity	- Aimed at the growth and development of various areas of business - Aimed at stability, and support of established areas of business activity - Aimed at reduction of business activity
According to the obtained business results	- Focused on cost reduction - Focused on quality improvement
Regarding the level of compliance with the formulated strategic goals	- Relevant, which corresponds to strategic goals - Irrelevant, which does not correspond to strategic goals
By the level of implementation	- Implemented strategic potential - Partially implemented strategic potential - Unimplemented strategic potential
According to the degree of originality	- Unique strategic potential - Massive strategic potential
According to the possibility of forecasting the process of realization of strategic potential	- Predicted - Partially predicted - Not predicted
According to the ability to solve the task	- Aimed at solving problems related to financial and economic issues - Aimed at solving tasks related to organizational and technical issues

Source: developed by the author

In the process of business management, there is an impact on the strategic potential and the formation of a business development strategy. This leads to obtaining competitive advantages and achieving specific business results.

Strategic potential partly determines the tools of strategic business management, which defines the process and tools of strategic business potential management, and together directly affect the size and quality of strategic potential. The achieved results also determine the size and quality of strategic potential, strategic business management tools, and the process and tools of strategic business potential management.

Conclusions. The need to improve the system of strategic business management causes the need to conduct a study of the strategic potential of the business. In the process of strategic management, it is important to understand that the strategic potential can be classified according to the following criteria: regarding the environment, the level of profit generation,

the visibility of components, and the form of existence; regarding market development, and the company's resources. The author developed a classification of the strategic potential of a business by the orientation of the activity; regarding areas of activity; according to the obtained business results and the level of compliance with the formulated strategic goals; according to the level of implementation; regarding the impact on business activity and development; according to the degree of originality; according to the possibility of forecasting the process of realization of strategic potential; according to the ability to solve the task.

The criteria of systematization of structural characteristics of strategic potential should include types of internal aggregate (composite) variables of strategic potential; types of local potentials as a set of resource components; types of partial potentials; types of components of strategic potential based on the organizational structure; types of functional and resource spheres outlining the strategic potential. These aspects are necessary for studying the process of strategic potential management, as well as strategic management of business development in general, increasing the competitiveness and efficiency of the organization.

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## ПРО СТРУКТУРУ ТА КЛАСИФІКАЦІЮ ТИПІВ СТРАТЕГІЧНОГО ПОТЕНЦІАЛУ БІЗНЕСУ

#### Юлія Цвілій

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Анотація. Стратегічний потенціал дає змогу організаціям визначати можливості для досягнення важливих цілей у майбутньому, виявляти загрози та підвищувати ефективність будь-якого бізнесу. Від якості управління стратегічним потенціалом залежить забезпечення ефективності та конкурентоспроможності бізнесу, як сьогодні, так і в майбутньому. Тому, для українського бізнесу актуальним є питання глибшого вивчення стратегічного потенціалу.

Мета статті — запропонувати класифікацію видів стратегічного потенціалу бізнесу та систематизувати структурні характеристики стратегічного потенціалу.

У процесі стратегічного управління важливо розуміти, що стратегічний потенціал можна класифікувати за такими критеріями: відносно середовища; за рівнем формування прибутку; відносно видимості компонентів; за формою існування; відносно розвитку ринку та ресурсів компанії. Автором запропоновано доповнити загальноприйняту класифікацію такими критеріями: за спрямованістю діяльності; відносно напрямів діяльності; за отриманими результатами бізнесу; відповідно до рівня відповідності сформульованим стратегічним цілям; за рівнем впровадження; відносно впливу на діяльність та розвиток бізнесу; за ступенем оригінальності; за можливістю прогнозування процесу реалізації стратегічного потенціалу; відповідно до можливості вирішувати завдання. До критеріїв систематизації структурних характеристик стратегічного потенціалу варто віднести: види внутрішніх сукупних (композитивних) змінних стратегічного потенціалу; види локальних потенціалів як сукупності ресурсних компонентів; види часткових потенціалів; види компонентів стратегічного потенціалу на основі організаційної структури; види функціонально-ресурсних сфер, що окреслюють стратегічного управління розвитком бізнесу, підвищити конкурентоспроможність та ефективність організації.

**Ключові слова:** бізнес, стратегічне управління, організація, стратегічний потенціал, систематизація, структурна характеристика, класифікація, ресурси, розвиток, ресурсне забезпечення.

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