

Ministry of Education Republic of Azerbaijan

ANALYSIS METHODS FOR BUSINESS ENVIRONMENT
(SWOT, PESTLE, PORTERS 5 FORCES, 4P AND ETC.)

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1. INTRODUCTION

The relevance of the topic is determined by the dynamics of the formation of factors that affect the effective development of the organization and quality development, and the adoption of management decisions.

The object of the study is an analysis of the internal and external environment on the example of Ojsc “Mineral Fertilizers.

The subject of research in this course work is the internal and external environment of the organization.

The purpose of the study is to analyze the internal and external environment by the example of Ojsc “Mineral Fertilizers and the development of recommendations for their improvement.

Objectives of the study:

1. Consider the theoretical basis for analyzing the internal and external environment.
2. Conduct an analysis of the internal and external environment in Ojsc “Mineral Fertilizers.
3. Develop ways to improve the work on analyzing the internal and external environment in Ojsc “Mineral Fertilizers.

In this work, methods such as analysis, synthesis, induction, and statistical were used.

The methodology of this study consists of the following approaches:

1. System - studies the interaction of elements within various types of non-profit organizations;
2. Functional - learns the functions of individual elements of the system.

The information base is presented by reports taken from the official website of OAO “Mineral Fertilizers, as well as the results of practical research.

Practical significance is that the acquired knowledge from the research can use and implement the modern generation, and practice them at their enterprises.

At present, “Mineral Fertilizers is the largest gas company in the world, based on the effectiveness of its management, the social and economic development of Russia largely depends. It is important to make certain corrections and recommendations on the management of the organization in time. The management methods existing in the organization contribute to the effective achievement of “Mineral Fertilizers's goals, provide an opportunity for clear and prompt management decisions and are consistent with internationally accepted approaches.

1.1. LITERATURE REVIEW

In the course of writing the work, such research methods as analysis and synthesis were used to realize the goals and tasks set.

During the study, periodicals, textbooks and works by such authors as: Velesko EI, Vikhansky OS, Demchuk ON were used. and etc.

Theoretical and methodological basis of this research are the works of VI Bediaev, (the manual analyzes theoretical and practical problems of management, attention is paid to the main approaches in modern management theory); Kabushkina NI, (in the works the key categories and concepts of management science are considered, the essence of social management, its main goals, functions and methods is characterized, the analysis of the management system and subjects of administrative influence is given).

2. THEORETICAL ANALYSIS

2.1. THE NOTION OF "BUSINESS ENVIRONMENT"

At the present stage of development of the economy, every enterprise operating on the market should manage its competitive advantages. Competitiveness of an enterprise can be ensured not only due to the high quality of the product or an acceptable price, but also due to effective management of the processes occurring at the enterprise.

Any planning for process management in an enterprise should be based on the results of an analysis of the business environment that covers all the key factors affecting the business-the enterprise processes.

Modern classifications of the components of the business environment of the enterprise include a huge number of constituent elements, from technology, finance and ending with the personnel policy of the enterprise. For example, A.I. Panov offers a set of the most important internal factors that can be a source of both strength and weakness of the organization (Agarwal et al., 2012: 12-13).

Analysis of these factors allows you to make a systematic understanding of the company's internal environment: organization of management, production, marketing, finance, personnel. (Дятлов, 200:400) A.N. Dyatlov, many researchers who study the intensity of interaction between a business organization and its environment, conditionally distinguish three groups of environmental factors (Aksakal ve Dağdeviren, 2010: 905):

- The local environment (the environment of direct impact) are factors that directly affect the operations of the organization and are directly affected by the operations of the organization;

- the global environment (indirect impact environment) - the most common forces, events and trends that are not directly related to the operational activities of the organization, but generally form the context of the business;

-International environment (business environment of multinational companies) - when the company goes beyond the country of origin and begins to develop foreign markets, the factors of international business come into effect.

However, to study the relative competitive positions of the enterprise in the industry, key success factors are used. The task of the enterprise environment analysis is to identify the key factors of the enterprise's competitive position in the industry. They serve as a cornerstone in planning business processes, but at the same time they change from industry to industry.

It should be noted the importance of analyzing the business environment of the enterprise, which is the basis for modeling, which in turn determines the effectiveness of process management.

Failure to analyze can lead to unrealizable management decisions. Therefore, the most important objects of analysis should be (Barboza and Rojo, 2015: 103):

- Evaluation of the external environment of the business in terms of compliance of business processes with the situation on the market;
- assessment of regional factors of the basing of the enterprise;
- Evaluation of the internal environment of the business in terms of the potential financial condition of the enterprise in the case of an attractive business environment.

Employment of a business environment or business environment of an enterprise means the immediate environment of an enterprise in business, which includes suppliers, competitors, consumers.

Many enterprises face in their activities and with the uncertainty of the external environment. It is about the amount of information needed when assessing a certain factor and ensuring its reliability. The lack of complete information leads to decisions that can not be considered effective (Bernroider, 2002: 504) .

Skilful use of information allows the company to achieve long-term survival and develop in a difficult and constantly changing environment. In this respect, it is important to create sound organizational structures of the enterprise, which should be oriented not only to the present day, but also to future events. Of particular importance is the way out of an unpredictable situation through a pre-predicted behavior. Enterprises should constantly coordinate their activities to find a solution that takes into account the specific situation.

System analysis and synthesis have an extremely important role in interaction with the external environment.

2.1.1. Analysis of internal and external environment

The term "organization" comes from the Greek word "organon" (organon), which means the device, the combination, the union of something or somebody into a single whole; bringing in a harmonious system.

The system is an expedient set of interdependent, interrelated and interacting elements, their parts, connections, relations, functions that form a single whole.

Being in interdependence, interconnection and interaction, working together, the constituent components of the system ensure the functioning of the system as a whole.

At the same time, it is fundamentally important not to simply operate, but to function to obtain an integral or complex effect to achieve the goal, for which the components of the set themselves are organized into the system, while preserving themselves in the same way as an integral formation (Catron, 2013: 38).

The components of the whole must be interrelated, and the development of the whole depends on the weakest part of it.

The pledge of the system's ability to act as a single whole is in the interconnection of the potentials of its constituent parts. The frame conditions of linkage are the goal of the system.

The costs of the system for maintaining stronger links place a burden on the total costs of the system, reducing its legal capacity.

Consequently, the capacity of the system depends, first of all, on the degree of its organization.

One of the first definitions of the concept of "system" we find in K. Baldwin's work: "A system is a collection of two or more elements that satisfy the following conditions (Chung, 2005: 15):

- the behavior of each element affects the behavior of the whole;
- the behavior of the elements and their interaction on the whole are interdependent;
- if there are subgroups of elements, then each of them influences the behavior of the whole and none of them has such an influence independently. "

Thus, it follows from this that the "system" is a kind of unity, and not a simple set of constituent parts. In this regard, R. Ackoff notes that

"when the system is dismembered, it loses its essential properties (Crawford and Williams, 1985: 5) "

The main system principles are:

Integrity is the irreducibility of the properties of the system to the sum of the properties of its constituent elements and the non-derivability of the last properties of the whole.

Structurality is the ability to describe a system through the establishment of its structure, i.e. the conditioning of the behavior of the system is not so much the behavior of its individual elements, but rather the properties of its structure.

Interdependence of structure and environment - the system forms and manifests its properties in the process of interaction with the environment, being at the same time an active element of interaction.

Hierarchy - each element of the system in turn can be viewed as a system, and the system under study is one of the elements of a broader, global system.

5. Multiplicity of the description of each system, giving a macroscopic, microscopic, hierarchical, functional and procedural representation of the system. In this regard, the task of the system approach is to identify the whole, to explain the behavior and properties of the whole in terms of its role and function.

Thus, the system of organization management from the position of the system approach can be defined as (Dobbs, 2014: 32):

1. Conceptual if it is considered as a model of a management system.
2. Empirical if a particular organization is considered.
3. Artificial, because it is created and used by people.
4. "Human-computer" ("human-computer"), since an automated information system is included in the control loop.

Closed or open, depending on the tasks being solved and the information used for this - only internal or related to the environment. Temporary, because it is periodically subject to formal or informal changes.

In a broad sense, the concept of "organization" means a certain order, and the increase in organization is an ordering that can be achieved if three necessary conditions are met:

- if the boundaries of the system are defined, i.e. It is established how many and which generating units it includes;

- if the variables that characterize the units forming the system are defined and the permissible relationships between their quantitative values are established;

- if the mode of action of each unit and the scheme of their interaction are determined.

Moreover, each organization of any system requires such a selection and combination of elements that not only ensure its harmonious functioning and development as a whole, but also compatibility with the larger system of which it is an element.

The elements themselves, acting expediently, have relative to the whole organization a certain function that characterizes the role, purpose of an element in the implementation of the goal.

The organization is an open, holistic system. Numerous threads are associated with the internal and external environment, the changes of which have a positive and negative impact on the activities of the organization. The more complex, larger the organization, the more entrepreneurs and managers have to pay attention to the analysis of the environment and the consideration of its impact on management effectiveness.

The system model is an organization in which the functioning, properties, structure, features of life activity and development logic depend on the state and dynamics of the external environment. This model describes the organization as a dynamic system that closely interacts with the external environment and reacts to the dynamics of its change.

Dynamic system - this term is borrowed from the general theory of systems, so in the original version, its interpretation assumed that any organization can be referred to open systems if it exchanges energy with the environment, information, system product, and to closed systems - if such an organization exchange does not occur. An important role in the formation of this view of the organization was played by the development of representatives of the general theory of systems.

With respect to the organization, this meant that an organization working in a model of open systems consumes material and social resources, information, and gives the external environment a certain system product, in contrast to closed systems. Since the openness of the system was determined by its connection with the external environment, which was realized through the social function of adaptation to the external environment, this interpretation of the organization's model as an open system practically coincided with the definition of the natural model of organization in the version of Parsons, Barnard and Gouldner (Kajanus at all, 2012: 7).

The natural model of organization is a special view of the nature of the laws governing the functioning and development of the organization. The organization is viewed as a social organism (quasi-natural object), teleologically, evolutionarily and gradually developing and functioning according to its laws, the central problem of which, like in biological organisms, is its survival. The logic of the formation of a formal

structure in this model (for example, the design of an organization from below) consists in comprehending, legitimizing and institutionalizing the already established relationships in the organization.

One of the most widespread models of the organization as an open system of this type was developed by Kats D. and Cannes R. It is characterized by the reorientation of representations: instead of the maximum and rational use of all internal organizational resources, stability and certainty in the sphere of organizational relations, which is typical for the organization models as a closed system, the dynamism and flexibility of organizations become important, and the ability to create new products and strategies by increasing uncertainty, reducing stability and predictability of relations.

In these conditions, high uncertainty and weak predictability in the field of organizational relations and activities are a sign that distinguishes open-system organizations from organizations operating in closed systems.

According to Z.P. Rummyantseva, as a result of shifting the emphasis in works on the systems approach of organizations to identify and describe her inseparable connection with the outside world, the features of the organization model as an open system were formed, thus (Keyes, 2006; 8):

- system components - the system consists of a number of parts, called components or elements; they are necessary to achieve the objectives of the system;

- system links - the components of the system are interconnected, which ensures the continuity of the processes occurring in the system;

- structure of the system - the form of communication is institutionalized

in the structure, which provides stability and gives the system stability; for systems, hierarchical structure of structures is characteristic, that is, the presence of subsystems in them;

- system interaction - components affect each other

friend of his being in the system and out of it, and only in the interaction of all elements and connections are possible processes by which the result arises;

- the system process - the system simultaneously performs

a number of processes, each of which is associated with any changes. Processes change the resources that make up the system, turn them into products and services;

- the integrity and emergent properties of the system - the system - integrity (English holism, from Greek hobs - the whole), showing properties that arise only as a result of the interaction of its components;

- system identification - system properties, on the basis of which it can be identified, ie, distinguished from other phenomena not included in the system; for this it is necessary to determine the boundaries separating the system from the environment;

- the environment of the system - phenomena and factors that, while not being part of the system, are essential.

All internal variables are interrelated. Changing one of them affects to some extent all others. Improving one variable, for example, such as technology, may not necessarily lead to increased productivity if these changes affect negatively another variable, for example, people.

External environment. J. Bell defines it as: "The external environment of the organization includes such elements as consumers, competitors, government agencies, suppliers, financial organizations and sources of human resources" (Liu, 2016).

The external environment in management should be understood as a set of interrelated external factors of property change that affect the organizational system.

External factors are basically uncontrolled forces that influence the decisions of managers and their actions and, ultimately, the internal structure and processes in the organization.

When considering the influence of the external environment on the management of the organizational system, it is important to understand that the characteristics of the environment are different, but at the same time are related to its factors. The characteristics of interconnectedness, complexity, mobility and uncertainty describe the factors of both direct and indirect effects.

The success of the functioning of enterprises in the conditions of strong competition and constant changes, both in the external and internal environment, largely depends on the training of management personnel, its ability to quickly identify changes and trends that occur in order to timely recognize emerging threats, emerging chances and favorable situation, as well as taking response measures to action, ensuring adaptation to the current situation.

Analysis of the environment is usually considered the initial process of strategic management, as it provides a basis for determining the mission and objectives of the firm and for developing behavior strategies that enable the firm to fulfill its mission and achieve its goals. Analysis of the environment involves the study of its three parts: the macro environment, the immediate environment and the internal environment (Rajasekar, 2013: 234).

2.1.2. Possible types of firm strategies

Examples of the use of a strategic approach to the management of business organizations began to be traced back to the 1920s and 1930s,

but the notion of strategy entered the lexicon of management only in the 50s, when the reaction of companies and firms to unexpected changes in the external market environment acquired an exceptionally important value.

At first, the meaning of the concept was unclear. The dictionaries did not help, because, following military terminology, they still defined the strategy as "the science and art of deploying troops for combat" or as "planning and implementing the policy of the country or the military-political union of states using all available means (Shahabu at all,2014: 18-26)."

This concept is also used in a general sense, referring to the concept of broad long-term measures or approaches. It entered the lexicon of business administration to refer to what was formerly called politics or business policy.

In those days, many managers, as well as some scientists doubted the usefulness of the new concept. Before their eyes, during half a century, the industry did an excellent job without any strategy, and they asked the question why it suddenly became necessary and what is the use of it for the firm.

For a long time, strategy meant managing resources. This understanding goes back to the so-called "experience curve", derived in 1926, which determined the dependence of costs per unit of output on production volumes. The "experience curve" generated a number of models based on large-scale production and lower production costs per unit of output. The most famous of these is the matrix of the Boston Advisory Group (Sheykhan at all, 2014: 313).

Most often, the strategy is understood as the long-term plans of senior management to achieve the organization's long-term goals. Some authors say that these are long-term intentions of business executives

with regard to production, marketing and commerce, income and expenses, or capital investments. The common thing here is that the concept of "strategy" and its understanding changed along with the complication of business conditions. On the basis of various best-known definitions of the strategy, we can see how the requirements for the external environment increased as the principles for the formation of strategic behavior of economic entities changed (Table 1). Consideration of the evolution of the concept of "strategy" in chronological order allows us to better understand the essence of the strategic behavior developed by the enterprise and to understand its structural content.

Table 2.1. Some definitions of the concept of "strategy", reflecting the complicating nature of the development of approaches to strategic management

Defining strategy	Author	Basic approach
1. The strategy, as a method of establishing long-term goals of the organization, its program of actions and priorities for allocating resources	A. Chandler, 1962	Long-term goals are developed and not subject to revision until changes in external or internal conditions of the organization's functioning environment
2. Strategy as a method of determining the organization's competitive goals	Harvard Business School, 1965	The strategy determines the main areas of business that the company will continue and / or start implementing
3. Strategy as a way of responding to external opportunities and threats, internal strengths and weaknesses	M. Porter, 1980-1985.	The main objective of the strategy is to achieve the organization's long-term competitive advantages over rivals in each business area
4. Strategy as a coherent, coordinated and integrated	G. Mintsberg, 1987.	In the development of the strategy, the focus is on the

structure of management decisions		formation of plans that serve to monitor the effectiveness of achieving strategic benchmarks
5. Strategy as a way to develop key competitive advantages of the organization	G. Hamel, 1989	The basis of competitiveness is the special abilities of the firm and internal resources
6. Strategy, as a set of actions and approaches to achieve specified performance indicators	A.Thompson, 1995	The strategy is simultaneously a proactive (proactive) and reactive (adaptive

Quinn believes that the strategy should (Wang at all, 2015:46):

- Contain clear objectives, the achievement of which is decisive for the overall outcome of the case;
 - Support the initiative;
 - Concentrate the main efforts at the right time in the right place;
 - Provide for such flexibility of behavior to use a minimum of resources to achieve the maximum result;
 - Designate coordinated management;
 - Assume a correct schedule of actions;
- Ensure guaranteed resources.

The strategy is not only as an instrument for substantiating, developing and implementing long-term goals and objectives of industrial, scientific, technical, economic, organizational and social nature, not only as a factor regulating the activities of the organization, until the goals and tasks are achieved, but at the same time as a means of connecting the enterprise with the external market environment.

It is quite difficult to give an unambiguous definition of the concept of strategy, since it is so multifaceted that even with a slight change in the angle of view on it, the picture changes very substantially.

Modern researchers of the concept of strategy in its general definition converge, although in deciphering its individual components take different positions.

The strategy is a specific program of actions developed by the leadership for the successful functioning of the organization.

Strategy is the managerial game plan for doing business. Managers rely on the strategy when issuing orders, orders relating to the conduct of business of the organization. Outside the strategy, it is inconceivable that there is a well-thought-out route of management, internal coordination of actions to achieve the intended results. The development of quality, integrated and resource-based strategies is one of the main conditions for the sustainable and efficient operation of any system.

There are four types of strategies for targeted business reduction (Wudhikarn et al., 2015: 12):

- liquidation strategy, which is the limiting case of a reduction strategy and implemented when the firm can not conduct further business;

- the strategy of "harvesting", which implies a rejection of a long-term view of the business in favor of maximizing income in the short term. This strategy applies to an unpromising business that can not be profitably sold, but can yield revenues during harvesting. This strategy involves reducing procurement costs, labor and maximizing revenue from the sale of the existing product and continuing to shrink production. The strategy of "harvesting" is designed to achieve, with a gradual reduction of this business to zero, during the period of reducing the receipt of the maximum aggregate income;

- a strategy of reduction, which consists in the fact that the firm closes or sells one of its units or businesses in order to implement a long-term change, the boundaries of doing business. Often this strategy is

realized by diversified firms when one of the productions does not fit well with others. This strategy is implemented also when it is necessary to get funds for the development of more promising or start new, more appropriate to the long-term business objectives of the company;

- a strategy of cost reduction, the main idea of which is to find ways to reduce costs and implement appropriate measures to reduce costs. This strategy has certain distinctive features, which consists in that it is more focused on eliminating rather small sources of costs, and also in the fact that its implementation is temporary or short-term measures. Implementation of this strategy: is associated with a reduction in production costs, increased productivity, reduced recruitment and even the dismissal of personnel, the cessation of the production of profitable goods and the closure of profitable facilities.

In practice, a firm can simultaneously implement several strategies. This is especially common among diversified companies. A firm and a certain sequence of strategies can also be produced by the firm. Concerning the first and second cases, it is said that the firm carries out a combined strategy.

2.1.2.1. Development Strategy

In the case of following these strategies, the firm is trying to improve its product or start producing a new one without changing the industry. As for the market, the firm is looking for opportunities to improve its position in the existing market or to move to a new market.

The specific types of strategies for the first group are as follows (Yüksel ve Dağdeviren, 2007: 177):

* strategy of strengthening the position in the market, in which the company does its best to win the best positions with this product in this market.

* market development strategy, which consists in finding new markets for an already produced product;

* Product development strategy, which assumes the solution of the problem of growth due to the production of a new product, which will be implemented on the market already mastered by the company.

The goals of the company give uniqueness and originality to the choice of strategy for each particular company. In order to reflect what the firm seeks. If, for example, the goals do not imply an intensive growth of the firm, then the corresponding growth strategies can not be chosen, even though there are prerequisites for this both in the market, in the industry, and in the firm's potential.

The interests and attitude of top management play a very big role in the choice of the company's development strategy. Management may like to take risks, but may, on the contrary, strive to avoid risks by any means. And this attitude can be decisive in choosing a development strategy. Personal sympathies or antipathies on the part of managers can also greatly influence the choice of strategy.

Financial resources of the firm also have a significant influence on the choice of strategy. Any changes in the firm's behavior, such as entering new markets, developing a new product and moving into a new industry, require a lot of money.

The qualification of employees, as well as financial resources, is a strong limiting factor in the choice of the company's development strategy. Not having sufficient information about the qualification potential, management can not make the right choice of the firm's strategy (Zhu et al., 2015: 553) .

The firm's commitment to previous strategies creates a certain inertia in the development of the firm. It is impossible to completely abandon all previous obligations in connection with the transition to new

strategies. Therefore, when choosing new strategies, it is necessary to take into account the fact that for some time the obligations of previous years will act, which will accordingly restrain or correct the possibilities for implementing new strategies.

The degree of dependence on the external environment has a significant influence on the choice of the firm's strategy. There are situations where the firm is so dependent on the suppliers or buyers of its products that it is not free to make a choice of strategy based on the possibilities to use its potential more fully. Strong external dependence can also be caused by the legal regulation of the firm's behavior, for example, by antimonopoly legislation, social restrictions, dependence on the natural environment, dependence on political factors, etc.

The time factor must necessarily be taken into account in all cases of strategy choice. This is due to the fact that both the opportunities and threats for the firm, and the planned changes always have certain time limits. At the same time, it is important to take into account both the calendar time and the time duration of the intervals for the implementation of specific actions to implement the strategy.

The firm can not implement the strategy at any time and any calendar time, but only in those moments and at the time when there is an opportunity to implement the strategy.

The evaluation of the chosen strategy is mainly carried out in the form of an analysis of the correctness and adequacy of accounting for the selection of the strategy of the main factors that determine the feasibility of implementing the strategy. The whole procedure for evaluating the chosen strategy is ultimately subordinated to one: will the chosen strategy lead to the firm achieving its goals. And this is the main criterion for evaluating the chosen strategy. If the strategy corresponds to

the objectives of the firm, then its further evaluation is carried out in the following areas (Arslan ve Turan, 2009: 131).

Correspondence of the selected strategy to the state and requirements of the environment. It checks whether the strategy is aligned with the requirements of the main actors of the environment, the extent to which the factors of market dynamics and the dynamics of the life cycle of the product are taken into account, whether the implementation of the strategy leads to the emergence of new competitive advantages, etc.

Correspondence of the chosen strategy with the potential and capabilities of the firm. In this case, it is estimated whether the chosen strategy is linked to other strategies, whether the strategy corresponds to the capabilities of the staff, whether the existing structure allows the successful implementation of the strategy, whether the strategy implementation program is time-honored, etc.

The acceptability of the risk inherent in the strategy. The assessment of risk justification is carried out in three directions: the realism of the prerequisites underlying the choice of strategy; what negative consequences for the firm can lead to the failure of the strategy; whether the possible positive result justifies the risk of losses from failure in the implementation of the strategy.

2.1.2.2. Survival Strategy

These strategies are implemented when the firm can no longer develop in this market with this product within the framework of this industry.

The main strategies for diversified growth are(Arslan ve Turan, 2009: 134):

* The strategy of centered diversification is based on the search and use of additional opportunities for the production of new products that are embedded in the existing business.

* The strategy of horizontal diversification involves looking for opportunities for growth in the existing market through new products that require a new technology, different from the one used.

* The strategy of conglomerate diversification consists in the fact that the company is expanding due to the production of technologically not related to the already produced new products that are sold in new markets.

The implementation of the strategy is aimed at solving the following three tasks:

First, it is to prioritize administrative tasks so that their relative importance is in line with the strategy that the organization will implement. This concerns, first of all, such tasks as the allocation of resources, the establishment of organizational relations, the creation of auxiliary systems, and so on. Secondly, this is the establishment of a correspondence between the chosen strategy and intra-organizational processes in order to orient the activities of the organization to implement the chosen strategy. Compliance must be achieved by such characteristics of the organization as its structure, motivation and incentive system, norms and rules of behavior, shared values and beliefs, qualifications of employees and managers, etc. Thirdly, it is a choice and a ghost in accordance with the current strategy of leadership style and approach to managing the organization. All three tasks are solved through change. Therefore, change is the heart of strategy implementation. And that is why the change that is made in the process of implementing the strategy is called a strategic change.

Conducting changes in the organization leads to the fact that it creates the conditions necessary to carry out activities corresponding to the chosen strategy. The need and degree of change depends on how well the organization is ready for effective implementation of the strategy. There are situations when changes are not actually required; There are also situations when the implementation of the strategy involves very profound transformations. Depending on the state of the main factors that determine the need and the degree of change, such as the state of the industry, the state of the organization, the state of the product and the state of the market, it is possible to distinguish four fairly stable and different types of changes that are definite completion.

The restructuring of the organization involves a fundamental change in the organization, affecting its mission and culture. Similar changes can arise when the organization changes its industry and, accordingly, its product and place on the snatch changes. In case of restructuring of the organization, the greatest difficulties are encountered in the implementation of the strategy. Serious attention deserves work on the creation of a new organizational culture. Very great changes are taking place in the technological area, as well as in the labor market.

A radical transformation of the organization is carried out at the stage of implementation of the strategy in the event that the organization does not change the industry, but at the same time radical changes occur in it, for example, due to its merger with a similar organization. In this case, the merging of different cultures, the emergence of new products and new markets require strong intra-organizational changes, especially concerning the organizational structure (Arslan ve Turan, 2009: 135).

Moderate transformation is carried out in the event that the organization comes out with a new product on the market and tries to attract customers to it. In this case, the changes relate to the production

process, as well as marketing, especially the part that is associated with attracting attention to the new product.

2.1.2.4. Reduction strategy

They are realized when the firm needs a regrouping of forces after a long period of growth or in connection with the need to increase efficiency, when there are downturns and cardinal changes in the economy, such as, for example, structural adjustment, etc.

There are four types of strategies for targeted business reduction:

- * The liquidation strategy is the limiting case of a reduction strategy and is implemented when the firm can not conduct further business;

- * The strategy of "harvesting" involves giving up a long-term view of the business in favor of maximizing revenue in the short term.

- * The reduction strategy is that the firm closes or sells one of its units or businesses to make a long-term change in the boundaries of doing business.

- * The strategy of reducing costs is quite close to the reduction strategy, as its main idea is to find ways to reduce costs and implement appropriate measures to reduce costs. However, this strategy has certain distinctive features, which consists in that it is more focused on eliminating rather small sources of costs, and also in the fact that its implementation is temporary or short-term measures.

Reduction strategies are implemented when a firm needs to regroup after a long period of growth and in connection with the need to increase efficiency, when there are downturns and dramatic changes in the economy, such as, for example, structural adjustment, etc. In these cases, firms resort to the use of targeted and planned reductions strategies. The implementation of these strategies often takes place not painless for the firm. However, it is necessary to clearly realize that these are the same

development strategies for the firm as the growth strategies discussed, and under certain circumstances they can not be avoided. Moreover, in certain circumstances, these are the only possible strategies for business renewal, since in the overwhelming majority of cases, renewal and general acceleration are mutually exclusive business development processes.

This goal is set by the organization when, for a variety of reasons, it is forced to develop at a slower pace than the industry as a whole, or even in absolute to reduce its presence in the market. Setting such a goal does not automatically mean that the organization has a crisis. For example, after a period of rapid growth, there may be a need for a reduction. Here one of the interesting features of the three given growth objectives appears. Being completely different in their orientation, they can safely be consistently combined in time, replacing one another. At the same time, there is no mandatory order in following these goals one by one.

2.2. METHODS FOR ANALYZING THE INTERNAL AND EXTERNAL ENVIRONMENT OF THE ORGANIZATION

2.2.1. SWOT analysis

Any segmentation begins with a comprehensive study of the market situation in which the company operates, and assesses the types of opportunities and threats that it may face. The starting point for this review is the SWOT analysis, which is the most widespread integrated method of strategic analysis in foreign and domestic academic circles and among practitioners. In the classic form, Strength, Weaknesses, Opportunities and Threats were developed in the second half of the 1960s.

Usually SWOT-analysis is used to identify and assess the degree of impact, study the direction of influence and the strength of the relationship between various factors of the external and internal environment of the enterprise, as well as to establish the state of affairs on it and develop a development strategy (Arslan ve Turan, 2009: 142).

In the analysis based on this method, the following steps are taken:

Step 1: determine the object of SWOT analysis;

Step 2: analysis of the internal environment and the activity of the object to identify its strengths and weaknesses;

Step 3: analysis of the external micro- and macroenvironment in order to identify opportunities and threats for the research object;

Step 4: comparative analysis of the object on the basis of qualitative and quantitative estimates;

Step 5: identify the main strategic directions and develop recommendations for their practical implementation.

In the process of SWOT analysis, lists of external and internal factors are formed with their grouping into positive and negative ones. As a result, four sets of factors are obtained:

Positive internal factors are the strengths of the enterprise;

Negative internal factors - weaknesses of the enterprise;

Positive external factors - opportunities for the enterprise;

Negative external factors are threats to the enterprise.

A set of factors can be represented in the form of a SWOT-analysis matrix in Figure 2.1

The analysis of matrix cells and the combination of factors from a subset of opportunities and threats with elements of a subset of strengths and weaknesses of the enterprise makes it possible to formulate four general enterprise strategies presented in Table 2.

Table 2.2 Enterprise strategies

Internal factors	External factors	Strengths> weaknesses	Weaknesses> Strengths
Features>	Threats	Strategy Maxi-Maxi	Strategy Mini-Maxi
Threats>	Opportunities	Strategy Maxi - Mini	Strategy Mini - Mini

Source: Middleton, J. (2003). The ultimate strategy library: the 50 most influential strategic ideas of all time. Oxford: Capstone

Consider the table in more detail. If the enterprise has more strengths than the weak, and the market opens up a number of new opportunities for it in the absence of threats, then in such a situation the maxi-maxi strategy is applied. The Maxi-Maxi strategy implies that in this position the enterprise should take actions to strengthen its position in the market, increasing market share, diversifying products and offering all sorts of novelties.

With the predominance of weaknesses and the action of the organization in a favorable external environment, the "mini-maxi" strategy is applied. The essence of this strategy is that an enterprise

should strive to selectively improve its competitive position, increase its share in the market and at the same time be freed from weaknesses, seeking to improve the financial situation, reduce costs and improve the competitiveness of its products.

If the enterprise is characterized by a predominance of strengths, but the environment is unstable, the maxi-mini strategy is applied. The essence of the strategy is that the instability of the external environment assumes the active use of the advantages to overcome threats coming from outside, searching the market for favorable niches and the subsequent increase in their share in them, reducing costs and upgrading products.

Internal instability and inability to effectively confront external threats implies the use of the mini-mini strategy: a gradual decrease in activity and a smooth transition from this area of activity. This allows the company to avoid possible losses and losses.

In addition to defining the organization's strategy, SWOT analysis suggests answers to strategic questions (Middleton, 2003):

What are the strengths to be developed and maintained to improve the competitiveness of the organization on the market?

From what weaknesses it is necessary to be released first;

What threats should be immediately protected;

Using which features can bring benefits?

To obtain effective results, it is necessary to take into account all the features of this analysis:

The basic information should be complete, up-to-date, current and reliable;

In expert assessments, it is important to avoid subjectivity and lack of competence;

The emphasis on integral assessments can detract from specific parameters and factors, without which a detailed analysis of the enterprise and its environment is impossible;

Excessive enthusiasm for a formal technique can interfere with qualitative analysis.

2.2.2. SNW analysis

The most traditional approach to strategic analysis of the internal environment as an organization resource is the SWOT approach already considered, but only in part of SW, i.e. from the position of strengths and weaknesses of the organization.

The management goals of the traditional SW approach are obvious: strengths as a good resource of the organization are preserved and try to strengthen further; and the weaknesses - to eliminate.

SNW is an abbreviation of three English words, which means: S - Strength - strong position (side), N - Neutral - neutral position, W - Weakness - weak position (side).

Thus, with the SNW-approach or strategic SNW-analysis, all the above about the SW-approach is preserved, but a special neutral one is added, i.e. N-position.

In the neutral position, the market average is fixed. To win a competitive struggle, a state may be sufficient when the organization with respect to competitors for all (except one) key positions is in the N state and only one factor is in the state S (Middleton,2003).

Thus, the SNW flow is a significant development of the SW / SWOT approach. Typically, SNW analysis is used to better understand the internal environment of the organization after SWOT analysis. To get a more constructive and concrete understanding of the strategic analysis

of the internal environment of an organization based on the SNW approach, consider Table 2.3.

Table 2.3. SNW analysis

Strategic positions and characteristics	Qualitative assessment		
	S	N	W
General (corporate) strategy			
Business strategies for specific businesses			
Organizational structure			
Finance as a general financial position			
Product as competitiveness			
Cost structure			
Distribution as a system for product realization			
Information technology			
The ability to market new products on the market			
Leadership ability			
Production level			
Marketing level			
Level of management			
Quality of staff			
Reputation in the market			
Relations with authorities			
Attitude to the trade union			
Innovations and research			
After-sales service			
Corporate culture			
Strategic alliances, etc.			

The technique of working with Table 3. the following: in each line only one cross is put (either in column S, or column N, or column W). "Cross" means choosing one of the three specified alternative positions.

Moreover, an alternative is an integral qualitative assessment of the relevant specific position of the internal environment of the organization in this particular situation with respect to its situational average market state. Popov's Source

Thus, the strategic analysis of the internal environment of the organization should be systematic, both in terms of the coverage of all the structural and process elements of the organization, and in terms of the analytical tool used. With the SNW approach, the strong, weak and neutral side of the enterprise is studied.

2.2.3. PEST analysis

PEST-analysis consists in identifying and assessing the impact of macro-environment factors on the results of current and future activities of the enterprise.

PEST is an abbreviation of four English words: P - Politico-legal - political and legal, E - Economic-economic, S - Sociocultural - sociocultural, T - Technological forces - technological factors.

In the literature, one can also find the designation of STEP-analysis.

STEP-analysis can be considered as a variant of system analysis, because factors that relate to these four aspects are usually closely interrelated and characterize different hierarchical levels of society as systems.

PEST-analysis differs from SWOT-analysis: PEST-analysis studies the market; SWOT analysis examines the position of the business unit in the market relative to competitors, product concept or idea.

The purpose of the dynamic analysis of PEST is to assess the impact of the most significant factors of the macro environment on the organization's operations and the possibilities of changing their influence over time. At the same time, it is necessary to take into account the factors that are insignificant now, but which can significantly affect the activity of the organization in the considered time perspective.

During the analysis of PEST, political, economic, sociocultural and technological factors of influence are singled out. Recently, due to a better understanding of the problem of environmental pollution, environmental factors have also become involved in environmental factors (Middleton, 2003).

If an organization is represented on the international market, it is useful to analyze the impact of global factors, such as relationships with major international organizations, to study the economic situation in other countries.

STEP-analysis helps to study the "behavior" of the external environment only if to adequately and objectively assess the impact on the organization of all four factors.

PEST analysis can be carried out both qualitatively and quantitatively.

The following stages of the PEST analysis are distinguished:

1. A list of macro-environment factors that have a high probability of realization and impact is developed.

2. The significance (probability of implementation) of each event for a given enterprise is estimated by assigning to it a certain weight from one (the most important) to zero (insignificant). The sum of the weights must be equal to one, which is ensured by the normalization.

3. An assessment is made of the degree of influence of each factor-event on the enterprise's strategy on a five-point scale: "five" - a strong impact, a serious danger; "Unit" is the absence of influence, threats.

4. Weighted estimates are determined by multiplying the weight of the factor by the force of its impact, and the total and weighted estimate for the given enterprise is calculated.

The total score indicates the degree of the enterprise's readiness to respond to current and projected factors of the external environment.

In the quantitative version of the assessment, it should be borne in mind that:

- the weighting factor should reflect the probability of occurrence of the event;

- a quantitative assessment of the influence of the factor should take both a negative and a positive value;

- The final evaluation gives information on the extent to which the company depends on the macro environment, but in addition to obtaining a summary estimate, it is necessary to analyze the contribution of each factor in obtaining the resulting value, as well as to evaluate the interaction of factors.

For the sake of simplicity and convenience of analysis, all factors are considered jointly in the form of a four-table table.

We give some examples of factors in Table 2.4, which are usually considered in the course of the analysis.

Table 2. 4. Factors

POLITIC FACTORS	EFFECTS ECONOMIC
Current legislation on the market	Economic situation and trends
Future changes in legislation	Dynamics of the refinancing rate
European / International Law	The rate of inflation
Regulatory bodies and standards	Investment climate in the industry

Government policy, change	Foreign economic systems and trends
State regulation of competition	General problems of taxation
Trade Policy	Taxation determined for the product / service
Toughening state control over the activities of business entities Penalties	Seasonality / weather effect
Elections at all levels of government	Market and trade cycles
Financing, grants and initiatives	Effective demand
Lobbying / Market Pressure Groups	Specificity of production
International Pressure Groups	Commodity distribution chains and distribution
Ecological problems	End User Needs
Other state influence in the industry	Exchange Rates
	Main external costs
	Energy Transport
	Raw materials and components
	Communications
SOCIO-CULTURAL TRENDS	TECHNOLOGICAL INNOVATIONS
Demography	Development of competitive technologies
Changes in legislation affecting social factors	Funding Research
Structure of income and expenses	Associated / Dependent Technologies
Core Values	Substitution technologies / solutions
Lifestyle Trends	Maturity of technology
The brand, the reputation of the company, the image of the technology used	Change and adaptation of new technologies
Customer Behavior Models	Production capacity, level
Fashion and role models	Information and communications, the

	impact of the Internet
Main events and factors of influence	Consumers buying technology
Opinions and attitudes of consumers	Technology Legislation
Consumer preferences	The potential of innovation
Media Presentations	Access to technology, licensing, patents
Points of contact for customers	Problems of Intellectual Property
Ethnic / religious factors	
Advertising and Public Relations	

There are several varieties of PEST-analysis.

PESTLE analysis is an expanded two factors (Legal and Environmental) version of the PEST analysis. Sometimes other formats are used, for example, SLEPT analysis (plus the Legal factor) or STEEPLE analysis: socio-demographic, technological, economic, environmental (natural), political, legal and ethnic factors. A geographic factor can also be taken into account.

2.2.4. Environment profile

The external environment can be divided into a medium of direct impact and indirect impact. For effective functioning of the organization, it is necessary to carefully study the external environment and be ready for its changes.

The value of the analysis of the external environment for the company is to identify threats and opportunities for business that can stem from events outside its processes.

Analysis of the internal environment is necessary for the development of the organization's development strategy, assessing the organization's attractiveness to the investor, and determining the company's rating.

Based on the SWOT analysis of OAO Belcard, it is necessary to choose a strategy related to reducing costs by introducing the latest technologies, upgrading and updating production capacities. A strategy for diversifying production is also acceptable, by producing new types of products.

SNW-experience is a significant development of the SW / SWOT approach. Usually SNW-analysis is used for a deeper study of the internal environment of the organization after the SWOT-analysis.

PEST-analysis consists in identifying and assessing the impact of macro-environment factors on the results of current and future activities of the enterprise.

PEST analysis helps the head of the company or analyst to see the picture of the company's external environment, highlight the most important influencing factors.

Growth needs are similar to the needs of self-expression of Maslow's pyramid and include the needs of recognition and self-affirmation, which are associated with the desire to develop confidence, self-improvement.

These groups of needs, as well as in Maslow's theory, are hierarchical. However, there is one fundamental difference between them. According to Maslow, there is a movement from need to need only from the top down: when the needs of the lower level are met, the person passes to the next higher level requirement. Aldermen believes that the movement goes both ways: upward, if the need for a lower level is not satisfied, and down if the need for a higher level is not satisfied. He believes that whenever a need is not met at the top level, a switch to a more specific demand at the lower level occurs, which determines the reverse move from top to bottom.

The theory of the acquired needs of McClelland The theory of David McClelland is related to the study and description of the impact on human behavior of the needs of achievement, participation and domination. These needs, if they are strong enough in a person, have a marked effect on his behavior, forcing efforts and actions that should lead to the satisfaction of these needs.

The need for achievement Is manifested in the desire of a person to achieve the goals that are before him more effectively than he did before. Individuals with a high need for achievement are ready to take on work that carries the elements of a call, which allows them to set their own goals. However, it is very difficult for them to deal with problems in the solution of which there is no clear and tangible result that comes quickly enough. The quality of the result, as well as the quality of their work, are not necessarily the highest. People with this need are many and willing to work, but do not like to share work with others. Together, they are satisfied with the results much less than if they had received this result alone.

To regulate the level of this need, it is important to conduct targeted training and organize the work accordingly. In particular, it is desirable to include regular feedback in the work, to analyze examples of successful achievement of goals, to set hard-to-reach goals, to try to correct the self-esteem of such workers, which is usually overstated.

Strangely enough, but people with high demand for achievement do not occupy positions of the highest levels in the management hierarchy, because they need to take more risky decisions and set higher goals than they are prepared to do. Therefore, with confidence, we can say that a person engaged in entrepreneurial activities of an individual type, it is desirable to have a high need for achievement. If a person works in a

large factory, a high need for achievement can create many problems for him and his associates.

The need for complicity manifests itself in the form of a desire for friendly relations with others. People with a high need for complicity try to establish and maintain good relations, seek approval and support from others, are concerned about how others think of them. It is very important for them that they need someone, that their friends and colleagues are not indifferent to them and their actions.

2.2.5. Weighing method of each factor

Motivation profile is filled with a special test. This test was designed to identify motivational factors (motivators) that are highly valued by the employee, as well as those factors that he attaches little importance to as potential sources of job satisfaction. Motivators are those factors that increase the effectiveness of the work of a person and / or his satisfaction, since they correspond to his internal needs (motives), which at the moment are not satisfied partially or completely.

The test allows you to identify the needs and aspirations of the employee, and thus get an idea of his motivational factors. With the help of this test, you can identify the relative value of 12 motivators:

1. The need for high wages and material compensation, the desire to have a job with a good set of benefits and allowances. This need reveals a tendency to change in the process of working life, an increase in spending leads to an increase in the value of this need.

2. The need for good working conditions and a comfortable environment.

3. The need for a clear structuring of the work. The presence of feedback and information to judge the results of their work, the need to

reduce uncertainty and establish rules and guidelines for the performance of work.

4. The need for social contacts to communicate with a wide range of people, an easy degree of trust, close ties with colleagues.

5. The need to form and maintain long-term stable relationships, a small number of colleagues at work, a significant degree of proximity of relationships, trust.

6. The need to win recognition from other people, so that others appreciate the merits, achievements and successes of the individual.

7. The need to set challenging goals for themselves and reach them; it is an indicator of the need to follow the goals set and to be self-motivated.

8. The need for influence and power, the desire to lead others; persistent desire for competition and influence.

9. The need for diversity, change and stimulation; the desire to avoid routine.

10. The need to be a creative, analyzing, thinking employee, open to new ideas.

11. The need for self-improvement, growth and development as a person.

12. The need for a sense of demand in interesting socially useful work.

The purpose of the profile is to form the basis for an orderly, reasoned analysis of the worker's needs.

You should start by reviewing the values of the employee's motivation profile. First, each factor is compared with what is available in the database obtained in the course of research by S. Richie and P. Martin. Then you can compare employee performance with the standards that are preferred for the organization (if any) to determine whether the

employee meets the requirements of the organizational culture and whether there is a need for a special approach to any aspects of his personality.

When analyzing the motivational profile, one must always take into account the acuteness of the individual's need. For example, does the high need mean that the worker, on the one hand, requires constant intense stimulation, and on the other hand, periodic weak stimulation or something mean between these two extreme options?

The motivational profile allows you to evaluate all motivators of the employee in interaction and develop an action plan with which you can influence the employee to improve the efficiency of his work. An example of the analysis of the motivational profile will be considered in the next chapter.

Goals for which you can use the motivational profile.

1. Selection of personnel. The motivational profile represents opportunities for improving the selection process. It allows us to determine not only the person's ability to perform this work, but also the limits of his ability to demonstrate effective activity and ability to improve his work. The use of a motivational profile for the selection of personnel requires, first of all, the establishment of requirements for the desired professional and technical skills and behavior dictated by the features of the proposed place of work. Then we determine the motivational profile of the work and identify those motivational aspects that could contribute to the increased effectiveness of its implementation.

It is true that if the work requires specific skills and behavior that are not provided by the incentive incentives of the applicant, he can not successfully cope with the proposed work. Conversely, if the required behavior is provided by his motivational incentives, then the applicant has the chance to become a successful employee. The time spent on

analysis of the motivational profile will help to make the interview more focused and productive and will allow you to best compare what the applicant is offering for work with what is required to fulfill it.

2. Managing change. We live in an era of post-industrial society, when the whole world is in the process of constant renewal.

Hence, one can conclude that if an organization strives to be active, its employees should be trained to always take into account the inevitability of changes, teach them to analyze the influence they exert, stress, develop skills that enable them and their subordinates to safely enter into the unknown future, even increasing the effectiveness of their activities. The most valuable for the organization are employees who are tolerant of uncertainty and able to act effectively under its conditions.

3. METHODOLOGY AND RESULTS OF ANALYSIS OF THE EXTERNAL ENVIRONMENT OF OJSC "MINERAL FERTILIZERS"

3.1. Methodology

Any organization can be and function only in a certain environment. Any action of all enterprises without exception is possible only when the environment itself allows its implementation.

It should be noted that the significance of the external environment for enterprises and organizations in management was realized in the 60s - in the context of the aggravation of crisis phenomena in the economy and the strengthening of the dynamism of factors. These factors served as a starting point for the intensive use of the system approach in management theory and practice, from the perspective of which any organization was viewed as an open system that constantly interacts with the external environment. The development of this concept led to the emergence of a situational approach, according to which the choice of the management method largely depends on the concrete situation, which is characterized to a great extent by external variables.

The competitive situation is constantly evolving, but there is always an important momentum for competition at a given time; It is important to identify the strengths and weaknesses of competitors and build their strategy of competition on this basis. Five forces determine the conditions in which specific organizations function, the state of each of the forces, as well as their joint impact, determines the capabilities of an individual organization in competition.

Many companies do not pay due attention to the possible threat from the "aliens" and therefore lose in the competitive struggle just again came to their market. It is very important to remember this and create

barriers in advance for the entry of potential "aliens" in advance. Such barriers can be in-depth specialization in product manufacturing, low costs due to savings from larger production volume, control over distribution channels, use of local features that give advantage in competition, preferences and loyalty of customers, required capital, product life-cycle effect. The threat from the possible appearance of new competitors on the market depends not only on the barriers to entry, but also on the expected reaction of the organization to the newly entering the market segment. However, any of these measures has an effect only when it is a real barrier to the "newcomer". Therefore, it is very important to know well what barriers can stop or prevent a potential "newcomer" from entering the market, and erect these barriers.

Manufacturers of substitute products have a great competitive strength. Therefore, in order to be able to adequately meet the challenge on the part of firms producing a replacement product, the organization must have sufficient potential to proceed to create a new type of product. An obstacle in the way of substitute goods can be the holding of price competition, the improvement of quality in the sale and maintenance of goods, the production of new more attractive products, the intensification of advertising activities.

The production activity of OJSC "Mineral Fertilizers" is aimed at ensuring the fulfillment of the planned targets for the production of products, compliance with established norms for the consumption of raw materials, energy and material resources, maintaining production equipment in an efficient condition, and ensuring the safety of the production process.

3.2. Results

Having examined and analyzed the external environment of the organization, it is necessary to draw the main conclusions on this topic.

The success of an enterprise largely depends on its external environment, without which, in principle, the life cycle of any organization is not possible. Therefore, the manager must take into account the external environment. Factors that have an immediate impact on the organization, refer to the environment of direct impact, other factors - to the environment of indirect impact. As well as internal variables, the factors of the external environment are interrelated and interact with each other. In addition, the external environment has the properties of complexity and uncertainty.

Thus, the main thing that needs to be learned is that external factors, together with factors of the internal environment, have a decisive influence on the functioning of the organization. All variables are closely intertwined and affect each other. The manager should be able to analyze all these factors in aggregate, not missing any of the form, and make the right decision.

3.2.1. Brief description of OJSC "Mineral Fertilizers"

Open Joint-Stock Company "Mineral Fertilizers" (OJSC "Mineral Fertilizers") is one of the largest producers of nitrogen fertilizers in the zone of the Urals and Western Siberia.

The main technological equipment used in the company is the Japanese company Toyo Engineering Corporation ("TEC").

The enterprise produces:

Ammonia anhydrous liquefied mark A, Ak.

Ammonia water technical grade A, B.

Carbamide of brand A, B.

Liquid low-temperature carbon dioxide, liquid high-pressure carbon dioxide.

Oxygen gaseous technical.

Oxygen gaseous medical.

Modern technologies of firms are applied in production: "KELLOGG" (USA) - production of ammonia and "MITSYI TOATSY" (Japan) - carbamide production, which allow producing high-quality products that meet international standards and are in demand, both in Russia and abroad.

The systems of quality management and ecology of the enterprise comply with the requirements of international standards ISO 9001 and ISO 14001.

The share of supplies for ammonia: 64.3% - exports, 35.7% - the Russian market.

The share of supplies for carbamide: 75% - exports, 25% - the Russian market.

In the domestic market, products are sold in thirty-nine subjects of the Russian Federation.

Main consumers of products:

Manufacturers of urea formaldehyde resins.

Woodworking combines.

Enterprises of the agro-industrial complex.

Cold storage facilities.

Enterprises of the food industry.

Enterprises of the chemical industry.

Priority areas of activity

Production activity:

Ensuring the fulfillment of the set targets for the production of products.

Compliance with established norms of consumption of raw materials, energy and material resources.

Maintenance of production equipment in an efficient condition.

Ensuring the safety of the production process.

Commercial activity:

Ensuring maximum sales efficiency.

Conclusion of direct contracts for the sale of products.

Organization of rhythmic deliveries of products to customers.

Maintenance of own rolling stock and railway tracks in good condition.

Investment activities:

Ensuring the stable operation of production equipment.

Reducing the energy intensity of production.

Growth of the production potential of the enterprise.

Social responsibility:

Ecology:

Rational nature management.

Improvement of the ecological situation.

Staff:

Providing a decent and objective level of pay.

System of staff motivation, additional benefits and rewards.

Providing a high level of staff qualification.

Care for the health of workers, members of their families.

Financial Aid and Charity:

Care for veterans of the enterprise.

Assistance to socially unprotected strata of the population.

Assistance to budgetary and public institutions.

3.2.2. External environment of direct and indirect impact

The study of the immediate environment is carried out through the analysis of competitors, consumers, suppliers, trade unions and contact audiences (banks, insurance companies) who have direct business contacts with the firm. In fact, in this section we study trends in the industry in which the enterprise in question is operating.

For the analysis, a model of Porter's five forces is used.

1 force: producers of similar products (intra-industry competition)

OJSC "Mineral Fertilizers" has been on the market for 20 years. At present, JSC "Mineral Fertilizers" occupies one of the leading positions in the market of mineral fertilizers in terms of scope and scope of activities.

competitors of OJSC "Mineral Fertilizers"

OJSC Nevinnomyssky Azot, Nevinnomyssk (Mineral and Chemical Company EuroChem)

OAO Novomoskovskaya AK Azot, Novomoskovsk (Mineral and Chemical Company EuroChem)

OAO AKRON, Novgorod (Acron Group)

Dorogobuzh, Dorogobuzh (Acron Group)

OJSC "Azot", Berezniki (United Chemical Company "URALCHEM")

OJSC Kirovo-Chepetsk Chemical Combine, Kirovo-Chepetsk (United Chemical Company URALCHEM)

OJSC TogliattiAzot, Togliatti

We will analyze the competitive positions of JSC "Mineral Fertilizers" among enterprises that produce mineral fertilizers.

At the moment, the primary task is the marketing research of the mineral fertilizer market, which allows us to determine trends in the changes of specific parameters of the external and internal environment.

Therefore, when determining competitors, the greatest attention should be paid to companies, as well as to OJSC "Mineral Fertilizers" specializing in providing a complex of services for consumers of mineral fertilizers (preparation of fat mixtures). Here one can single out the most dangerous competitors: Dorogobuzh, Azot and Novomoskovskaya AK Azot. In relation to them, the competitive advantages of JSC "Mineral Fertilizers" are the unique experience in the development and compilation of fat mixtures, the availability of a certificate for compliance with the requirements of international standards ISO 9001 and 14001, own scientific base, investments in innovative fundamental scientific developments.

2 power: supplier influence power

JSC "Mineral Fertilizers" is a specialized enterprise producing ammonia and nitrogen fertilizers. The raw material for obtaining products in the nitrogen industry is atmospheric air and various types of fuel.

The number of constant air constituents includes the following gases (in% by volume): nitrogen - 78.16; oxygen - 20.90; argon = 0.93; helium, neon, krypton, xenon and other inert gases - 0.01. In technical calculations, it is assumed that air contains 79% nitrogen and 21% oxygen.

Since the resources of atmospheric nitrogen are enormous, the raw material base of the nitrogen industry is mainly determined by the second type of raw material - fuel used to produce hydrogen or hydrogen-containing gas.

Currently, the main raw material in the production of ammonia is natural gas.

As a raw material for the production of mineral fertilizers, the company uses its own ammonia.

Therefore, we can say that the enterprise does not have extraordinary threats from suppliers of raw materials for the main production.

Analysis of suppliers of raw materials, materials and tools directly for the production process speaks of the following: JSC "Mineral Fertilizers" has significant opportunities to provide its own raw materials; in addition, suppliers of component tools, etc. This is a wide network of suppliers, which includes well-known trademarks of Russia and Europe. These suppliers have been represented in the industry for a long time and have proved themselves as reliable partners. In addition, if there are any problems, the company can easily compensate for this through cooperation with others.

3 Power: The Competitive Power of Product Buyers

At present, the rate of consumption of nitrogen fertilizers is steadily increasing. Since no sharp transition to qualitatively different technologies of growing agricultural products is expected in the next 3-4 years, nor a reduction in the growth rates of nitrogen fertilizers, the dependence of enterprises using the services of the OJSC "Mineral Fertilizers" will increase from the company in question, and the need to produce it is the complex purchase of spare parts, as well as major repairs of locomotives and wagons.

Threats can arise due to the fact that many customers prefer to have a supplier at close range. In addition, the prices for products sold by JSC "Mineral Fertilizers" are quite high, while often the consumer prefers cheaper products.

3.2.4. SWOT-analysis of activity of OJSC "Mineral fertilizers"

The most important stage in the development of an effective strategy of the company is strategic analysis, which should give a real assessment of own resources and capabilities in relation to the state (needs) of the external environment in which the firm operates.

The primary strategic analysis is carried out using the SWOT matrix. The methodology of the SWOT analysis involves first identifying the strengths and weaknesses, as well as threats and opportunities.

We will carry out a SWOT-analysis of the activity of OJSC "Mineral Fertilizers" (table 4)

Table 4. SWOT - analysis of the activity of JSC "Mineral fertilizers".

Strengths	Capabilities
Wide range of products	Political stability
Wide market	Decrease in the refinancing rate
Complex supply of fertilizers	Growth of the purchasing power of the ruble
Flexible system of discounts	Stabilization of the dollar
Convenient terms of delivery of goods to the customer	Creation of a single economic space in the territory of Russia, Ukraine, Belarus and Kazakhstan
Multiple payment for the supply of goods	Economic growth of agriculture
Careful attitude to the customer and long-term cooperation	Customer's need for complex deliveries
Rendering of consulting services	Reduction of customs duties
Large experience in the introduction of fertilizers, compilation of fertilizer mixtures	Large labor market of high qualification
Increase in the volume of advertising	Large selection of suppliers
Development of own production	The emergence of modern production technologies and highly efficient equipment
Flexible production cycle	

<p>Young, promising personnel</p> <p>The possibility of training</p> <p>High educational level of the personnel</p> <p>Effective motivation system for employees</p> <p>Business and professional specialization</p> <p>Ability of employees to work in a team</p> <p>Development of plans for integrated service of enterprises</p>	<p>The poorly developed Russian territory is rich in natural resources.</p>
<p>Weak sides</p> <p>Lack of marketing research</p> <p>High prices</p> <p>Insufficient knowledge of competitors</p> <p>High staff turnover</p> <p>Low level of flexibility in employee relations</p> <p>Deteriorating financial situation</p> <p>Decrease in profitability of activity due to outstripping growth of costs</p> <p>Inefficient use of resources</p> <p>Lending to an enterprise involves a risk</p> <p>Warehouse storage</p> <p>Significant equipment wear at the factory</p> <p>Lack of skilled workers in the factory</p>	<p>Threats</p> <p>Unstable financial position of customers</p> <p>Increasing the requirements for the quality of goods and low prices</p> <p>Growth in the number of competitors</p> <p>Seasonality of orders</p> <p>Customer preference for having a supplier at close range</p> <p>Instability of supplier prices</p> <p>Instability of supply</p> <p>The risk of competitors using modern technologies</p> <p>Increase in energy prices</p> <p>Increase in prices for transportation</p> <p>High taxes</p> <p>Critical state of production infrastructure</p> <p>Low rates of development of high-technology, labor and science-intensive machine building</p> <p>Growth of specific energy, material and nature intensity of production</p> <p>Increase in the number of technological accidents</p>

The company's strengths and strengths, as well as threats and opportunities, we turn to the stage of establishing links between them. For this, a matrix SWOT is created.

Table 5. The SWOT matrix

	Capabilities	Threats
Strengths	field C and B	field C and Y
Weak sides	field C and B	field C and U

On the left are two blocks (strengths and weaknesses), into which all the analysis of the parties of the organization, identified at the first stage, respectively, enter. In the upper part of the matrix there are also two blocks (opportunities and threats), into which all the identified opportunities and threats accordingly enter. At the intersection of the blocks, four fields are formed: C and B (strength and capabilities), C and Y (strength and threats), S1 and B (weakness and opportunities), S1 and Y (weakness of the threat). In each of these fields, it is necessary to consider all possible pair combinations and highlight those that should be taken into account when developing the strategy of the organization's behavior.

With respect to those couples that were selected in field C and B, a strategy should be developed to use the strengths of the organization in order to benefit from the opportunities that have emerged in the external environment.

For those couples that are in the field of S and B, the strategy should be built in such a way that, due to the opportunities that have appeared, we can try to overcome the existing weaknesses in the organization.

If the pair is in the C and Y boxes, then the strategy should assume the use of the organization's strength to eliminate the threat.

As for the pairs in the field of S and U, the organization must work out a strategy that would allow it both to get rid of weakness and to try to prevent the threat looming over it.

3.2.4. Development of the strategy of OJSC "Mineral fertilizers"

Stages of strategy development:

The number of businesses or products for which strategies will be developed is determined.

An analysis of the business or product portfolio is performed using the BKG and McKinsey matrices, taking into account their life cycle and target market (global, national, regional, local)

For each business / product, strategic alternatives are formulated

For each business / product, a reference strategy is formulated, corresponding to the previously chosen strategic alternative

For each business / product, a competitive (marketing) strategy is formulated

Despite the fact that JSC "Mineral Fertilizers" offers a wide range of products, its activities can be divided into two main business areas: ammonia production and the production of mineral fertilizers.

Analysis of the economic and product portfolios.

Assessment of the degree of attractiveness of various business lines of the organization is usually carried out in two directions: the attractiveness of the market or industry to which this business belongs and the strength of the position of this direction in this market or in this industry. The first method of analysis is based on the use of the matrix "market growth rate - market share" (matrix BCG), the second - on the business planning grid (matrix GE, or McKinsey).

The BCG Matrix

The matrix is based on assumptions: the greater the growth rate of the market, the greater the possibility of development; The larger the market share, the stronger the organization's position in the competition.

JSC "Mineral fertilizers" on the market for 20 years. For the years of its existence on the market, the company has become a leader in its industry, cooperating with numerous partners both inside Russia and in the near and far abroad, although the Russian market is still the main one for the company.

Production of nitrogen

At the moment, in the industry under consideration, in our country there are no enterprises that could compare with JSC "Mineral Fertilizers" in terms of scope and scope of activities. In relation to its main competitors, the market share of OJSC Mineral Fertilizers is 1.3, i.e. in the matrix, the company will occupy the extreme left position.

Thus, in business, the production of nitrogen JSC "Mineral Fertilizers" takes the position of "star".

In this regard, the company has the following alternative ways of choosing the appropriate strategy:

adopt a defense strategy - to protect the existing market share;

to make repeated investments of incomes in the form of modernization of service on realization of complex deliveries;

win a large share of new consumers.

At the moment the company is on the rise. The leading position in the market, a wide network of suppliers and consumers, the ability to carry out complex deliveries of fertilizers and fertilizer mixtures, the need for which is increasing, as well as a rather favorable external environment, help the company choose an offensive strategy aimed at increasing the volume of supplies and expanding the market share of OJSC "Mineral fertilizers", which will require additional investment. In

addition, we should not forget about the need to take measures to preserve the leading position in the Russian market.

However, when determining competitors, attention should be paid to companies, as well as JSC "Mineral Fertilizers" specializing in providing a range of services, including the preparation of fat mixtures. Among such enterprises, JSC "Mineral Fertilizers" is a leader.

The production of mineral fertilizers is one of the numerous activities of the company in providing a wide range of services. Therefore, consideration of this business should be carried out only in a compartment with all other directions.

In relation to the main competitors, the share of OJSC Mineral Fertilizers is 1.17. The growth rate of sales in the industry average is 11%.

In this direction, JSC "Mineral Fertilizers" takes the position of "star".

With regard to this business, the company is recommended to adopt a defense strategy - to protect the existing position in the market by modernizing the service for preparing fat mixtures.

Despite the fact that both of the company's main businesses are in the position of the stars, the conditions of the external and internal environment suggest that eventually they will logically move to the position of "cash cows". Therefore, the company now has to look for ways to keep existing businesses as "stars", and also to look for new promising areas of management.

As such prospects, it is possible to consider the development and introduction of new products into production, the opening of new specializations of the activities of JSC "Mineral Fertilizers" in the field of agricultural chemistry.

CONCLUSION

The conducted researches allowed to study the essence and role of small business in a market economy, to analyze foreign experience of its support and to reveal the problems of small business development in the Republic.

The results of the study allow us to draw the following conclusions:

1 Small business is an integral element of a market economy, without which the state can not harmoniously develop. The most important role of small business is to provide a significant number of new jobs, saturate the market with new goods and services, meet the numerous needs of large enterprises, and release special goods.

2 Small businesses today have become an integral part of the economies of most industrialized countries. In the EU countries, they account for 63-67% of GDP and over 70% of the working population, in the US 50-52 and 54%, in Japan 52-55 and 78% respectively.

Such successes have been achieved by the small business of foreign countries thanks to the systemic support of the state in various fields.

It is obvious that the active support of small business by Western countries is not due to their charitable intentions, but to the fact that it is the small economic structures that ensure the formation of a competitive environment and contribute to the reduction of unemployment, are now viewed as the locomotive of economic development in the world.

3 The small business of the Republic represents today a promising developing sector, gradually increasing its role and importance in ensuring the overall economic growth of the country.

Small enterprises can make a significant contribution to solving the problems of economic growth and employment. In a market economy, they are considered to be flexible and cost-effective, they quickly adapt to the wishes of customers, not only in areas close to consumers, such as

retail or certain types of services. But small enterprises are effective only under certain conditions. That is, we need a sound economic policy that would allow Belarus to fully realize the potential of small enterprises. However, in practice, small businesses face a number of barriers and barriers that prevent them from effectively developing and affecting their low survival. Private sector development is hampered by the overall complexity of doing business, including a complex tax system, insufficiently protected investor rights, lack of a mechanism of guarantees and guarantees related to the financing of entities, the complexity of the certification and standardization of goods and services,

4 In order to activate small business in Belarus, it is necessary to eliminate factors that impede its development and reach a higher level of its state support. Priority areas for the development of small businesses should be the production of consumer goods, agricultural products, its processing, provision of personal services, especially in rural areas, scientific and innovative activities.

Today, there are still a number of opportunities for the contribution of small and medium-sized businesses in GDP to increase significantly. Issues that require close attention are still acute: abolition of price regulation, improvement of antimonopoly legislation, reduction of the number of taxes, reduction of penalties, simplification of document circulation, acceleration of privatization, simplification of certification of goods and services, ensuring availability of credit resources, transparency in economic policy.

And, nevertheless, the vector for liberalization is set, there are hopes that the government will take further steps to improve the business environment, the business climate in the Republic will improve significantly and the Belarusian business will move to the forefront.

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