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# Tools and Methods of Transport Enterprises` Strategic Planning Using Complex Systems of Estimates

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**Abstract.** The problems of strategic planning in transport enterprises, namely the tools and methods are presented in the article. Strategic planning allows to provide financial stability, to keep competitiveness of the transport enterprise taking into account specific branch features. The definition of the terms "strategy", "plan", "general line of development of the enterprise" are analysed. The authors identify the main tools of strategic planning, namely the STP method (situation-goal-path). The analysis of the quality of the company's human resources and determination of its professional image before the implementation of strategic objectives in the transportation market is assessed; analysis of the market in which the transport company operates; analysis of strategic assets and competence of the company. The second component defines goals and priorities in the future, and the third - determining the direction, trajectory of achieving goals or the desired future state. Thus, each link of the STP-method of strategic planning has its own systems of evaluation indicators where the evaluation criteria are clearly defined. The authors point out that the use of tools and methods of strategic planning in transport enterprises is impossible without the use of gradually applied, comprehensive systems of evaluation indicators

**Keywords:** water transport enterprises, strategic planning, tools and methods, estimates.

## 1. Introduction

In today's market environment, strategic planning is the basis for the proper functioning of transport enterprises. This is the basis without which the system of management of socio-economic processes is unchanged and not adapted to changes in the external business environment. Therefore, effective management of the transport company, ensuring the achievement of common goals is impossible without proper strategic planning.

According to O. Karpishchenko, strategic planning is a special type of man`s practical activity - planning work, which consists in the development of strategic decisions (in the form of forecasts, draft programs and plans), which provide for the establishment of such goals and behavioral strategies. ensures their effective functioning in the long-term vision, rapid adaptation to changing environmental conditions [3].

Strategic planning allows to provide financial stability, to keep competitiveness of the transport company taking into account specific branch features.

## **2. Analyses of the Literature Data and the Problem Statement**

Scientific - theoretical basis for solving this problem on the definition of "strategic development", development of ways to implement company development strategy, are reflected in the studies of domestic and foreign authors (M. Meskon, I. Ansoff, I. Blank, V. Vasylenko, P. Drucker, V. Dikan, M. Yermoshenko, V. Gerasymchuk, D. Clandland, F. Kotler, N. Moiseeva, A. Nalyvayko, M. Porter, A. Thompson, A. Chandler, A. Shegda, Z. Shershneva). The problems of logistics strategies of transport companies (G. Kucheruk, S. Miloslavskaya, P. Nikitina, V. Nikolashina, I. Panova, T. Prokofiev, I. Smirnova, E. Shabarova and others). The relevance of this problem led to the choice of the purpose of the study.

## **3. Aims**

Considering the fact that strategic planning is a necessary element of enterprise development planning and taking into account the peculiarities of the operation of transport enterprises, we can identify the main tools of strategic planning, which are formed on the principle of STP (situation-goal-path) method. This method is most indicative when choosing strategic planning tools. So, *the aim* of this article is the definition of basic tools and methods of transport enterprises' strategic planning using complex systems of estimates.

## **4. Key features of the tools and methods of transport enterprises strategic planning**

There are different definitions of the term "strategy": "A set of rules for decision-making"[1], "Long-term qualitatively defined direction of development of the organization in terms of scope, means and forms of its activities, the system of internal relations, and the company's position in the environment", "Strategy - is the general direction of achieving the goal, i.e the main, leading direction of movement for the gradual achievement of any goals", "General direction, the general line of development of the company".

This allows us to conclude that the strategy is a tool for managing the development of the company, ways, plan or program of action to achieve the goals of the company. The concepts of "strategy" and "plan" in many cases have similar features and can be mistaken for synonyms because the plan is a predetermined system of measures that provides the order, sequence and timing of work, namely the plan is part of the company's strategy and strategic planning is a mechanism for achieving goals.

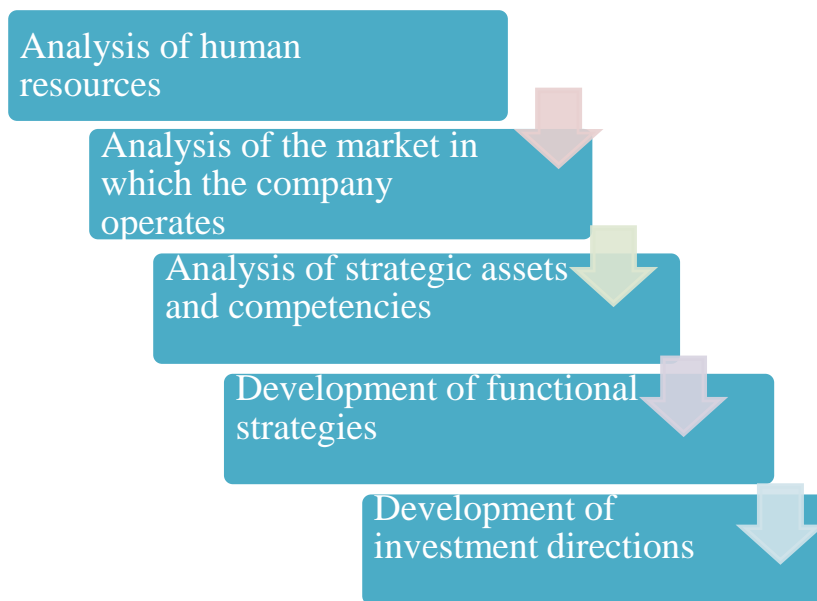
The development strategy defines the fundamental long-term goals and objectives, the implementation of which will allow transport enterprises to become stable and efficient organizations. The development strategy is focused on increasing transportation performance by improving the quality of management activities and the implementation of major initiatives to improve the efficiency, especially of the freight fleet. Prospects for the work of the company to ensure its effective functioning, increase the efficiency of management of material and technical base and determine further ways of development of the company.

The strategic development plan is the main document that describes the directions of long-term operation of the enterprise for a long time. It consists of strategies and key indicators of enterprise development, taking into account the goals and forecast calculations.

The development strategy is the basis for making management decisions aimed at preventing imbalances in administrative procedures.

For instance, the strategic target of PJSC "Ukrainian Danube Shipping Company" is the need to strengthen its role in the integration processes in Ukraine as a company occupying key positions in the Danube region and the water transport complex of Ukraine. There is also a need to increase the competitiveness and profitability of the shipping fleet, attract new transit and export-import freight flows, ensure the efficient operation of the shipping company, update the shipping company by decommissioning and sale of physically and morally obsolete ships, modernization of suitable steam and shipbuilding introduction of new technologies for fuel and energy saving [2].

Due to O. Timoshuk, O. Melnik and O. Semin, in contrast to foreign trade ports, which have long been reformed and become centers in the logistics movement of goods, sea and river ports in Ukraine are still in decline. Formation and implementation of logistics strategy of sea and river ports, associated with ensuring high quality customer service, rapid response to changing environmental conditions, the ability to adjust logistics characteristics to improve efficiency in economic activities [6].



**Figure 1.** Structure of Strategic Plan Development.

Taking into account the peculiarities of the functioning of transport enterprises, we can identify the main tools of strategic planning, which are formed on the principle of STP (situation-goal-path) method. This method is most indicative when choosing strategic planning tools.

Firstly, the assessment and analysis:

- analysis of the quality of the company's human resources and determination of its professional image before the implementation of strategic objectives in the transportation market;
- analysis of the market in which the transport company operates;
- analysis of strategic assets and competence of the enterprise.

1) strategic asset - is what the enterprise owns (set of resources: personnel - professional competence and staff professional image; technological - the availability of modern equipment using the latest technologies, etc.), which makes it stronger than competitors.

2) Strategic competence is what a company can do exceptionally well, at least better than its competitors, for example, availability of educational institutions of different levels, a developed network of representative offices, delivery times, safety of goods.

Characterization of strategic assets and competencies is the result of internal analysis focused on strategy development. It is important to understand that in the formation of a strategic plan for the development of the transport company does not make sense to provide detailed results of internal analysis. The owner should be interested in global factors that could be taken into account when setting goals. Just as in external analysis, it is not necessary to deeply describe its sequence and all the results.

The second component - the goal (Target) - the definition of goals, priorities in the future.

The third component - the path (Path) - determining the direction, trajectory of achieving goals or the desired future state:

- development of functional strategies (methods of maintaining and strengthening competitive advantages in selected areas);

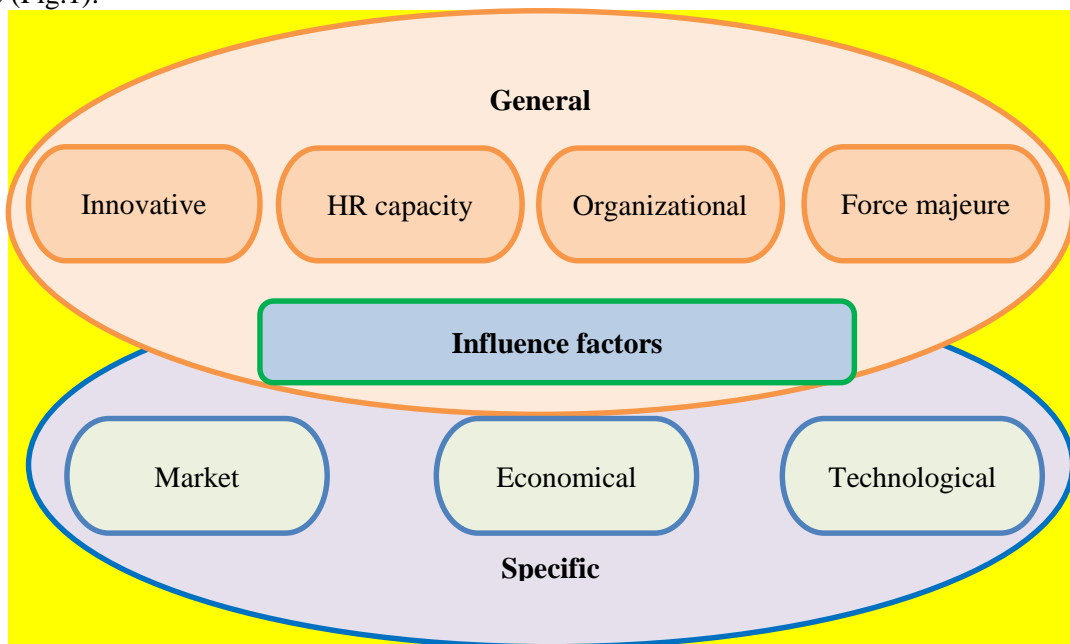
- development of investment directions (realization of any goals of enterprises, including transport, is always associated with the need for financial resources).

Each link of the STP-method of strategic planning has its own systems of evaluation indicators where the evaluation criteria are clearly defined.

Situation (S) - the stage of determining certain groups of factors influencing the activities of the transport company.

In order to justify the application of a strategy, it is necessary, first of all, to show the specific difference between the transport industry companies from the companies of other industries. The easiest way to identify differences is to analyze the factors of influence. Factors influencing the activities of the enterprise can be divided into 7 groups: economic, market, technical and technological, innovative, organizational, human resources, force majeure [4].

The study of the factors of influencing the work of companies, the generally accepted principles of SWOT (Strengths, Weaknesses, Opportunities, Threats) and PEST (Political, Economic, Social, Technological) analysis, allow us to divide these factors into two conditional groups: general and specific (Fig.1).



**Figure 1.** Groups of factors influencing the formation of development strategy of water transport companies

The first group includes innovation, organizational, human resources, force majeure, i.e those that in most cases are typical for companies of all industries. In contrast to the first group, such factors of influence as economic, market, technical and technological most emphasize the difference between the relevant industry.

**Table 1.** Some Indicative indicators-factors for formation of strategy of development of water transport companies

	Group of factors	Indicator factor
1.	Innovative	The level of funding for innovation; the level of implementation of advanced production technologies.
2.	HR capacity	Staffing (staff availability, staff turnover, work experience, job creation opportunities, level of social protection of employees, career opportunities).
3.	Organizational	Form of organization of the company (form of ownership, organizational structure)
4.	Force majeure	Exceptional weather conditions, natural disasters (hurricane, storm, flood, snowfall, ice, earthquake, subsidence and landslides, freezing of the sea, straits, drought).
5.	Economical	Freight turnover (volume of cargo transportation, average distance of cargo transportation, seasonality, structure of transportation by directions and types of cargo, batch size).
6.	Market	Competition from other carriers, including foreign ones; availability of combined transportation; availability of specialized transportation; delivery times; number of orders; attractiveness of the company for consumers; company rating; availability of advertising; commodity policy; pricing policy; sales policy; availability of cost-effective channels for the sale of services; range of services provided.
7.	Technological	Type of transport, its characteristics (load capacity, load capacity, passenger capacity, design features, type and power of the power plant, equipment level, age).

M. Sharko & I. Vahner claimed that the identification of specific features of the transport industry is the basis on which to identify the most applicable basic competitive strategies: leadership strategy, differentiation strategy, specialization strategy [5,7].

## 5. Conclusions

Careful analysis of specific factors influencing the formation of a strategic plan for the development of the water transport company shows that the signs of a competitive strategy are strategies related exclusively to: competition; providing the consumer with additional values; using various means to attract consumers of services; gaining their trust; actions to stay ahead of competitors.

These features of competitive strategies are decisive in justifying their feasibility as well as the transport service will be provided only when needed. That is, the volume, nomenclature of the transportation market is formed and the carrier in order to obtain long-term competitive advantages that will ensure its survival, sustainable operation and development must encourage consumers to purchase its services (differentiation strategy), reduce costs (leadership strategy), find a niche in the market in which the company will be able to ensure stable development and profit (specialization strategy).

Thus, it can be noted that the application of tools and methods of strategic planning in transport enterprises is impossible without the use of gradually applied, comprehensive systems of evaluation indicators.

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