

- only two regions of Ukraine (Odessa and Mykolaiv) form conditions on the three indicators at the level “excellent” and “good”;
- the Lviv region should be also highlighted, where all three indicators are characterized by a “satisfactory” rating. This result requires attention to the current situation as unemployment in the region, and by income from wages. Decisions at the state level identified problems, possibly by enhancing the involvement of the population in the region to implement self-employment, in particular the development of green tourism and providing services for living and recreation through the implementation of a system of privileges in the taxation received incomes, the privatization of land;

- Zhytomyr, Kropyvnytsky and Cherkasy region, although having a “great” rate of payment of wages, however, demonstrate only “satisfactory” results regarding the level of employment in the regions and the average wages that are not competitive with other regions of Ukraine;

- two areas in Ukraine by results of 2015 by two indicators (unemployment and the level of debt on salary payment) can be evaluated as “unsatisfactory”, Dnipropetrovsk and Kharkiv. The same situation negates the positive assessment regarding the level of wages. This situation is quite predictable it is through the proximity of areas in the combat zone and given the increasing population of these regions for internal migration due to the ATO.

The application of this methodology to assess the conditions of formation of financial resources has the particular relevance because of the limited capacity of the state to finance programs of economic and social development to overcome the identified problem areas, after all, a clear definition of the factors influencing the formation of financial resources of households and grouping areas of similar economic situations will give you the opportunity to target funding and to focus on problematic aspects.

References:

1. State Statistics Service of Ukraine [Electronic resource]., Access mode: <http://www.ukrstat.gov.ua/>
2. Kotsiurubenko A.N. Ukrainian households' financial resources: Formation, Distribution and Use. – Manuscript. The thesis for degree of candidate of economic sciences, specialty 08.00.08 – money, finances and credit. – Odessa, Odessa national economic University, 2014.



SWOT-ANALYSIS AS A TOOL OF STRATEGIC PLANNING

Yu. Zhuravel, PhD Student of the Department of Economic Policy and Labour Economics of Lviv Regional Institute of Public Administration of National Academy of Public Administration, the Office of the President of Ukraine, Lecturer Lviv State College of Food and Processing Industry of the National University of Food Technologies, Ukraine

Conference participant

The main attention is paid to the need for SWOT analysis as a tool for strategic planning of the enterprise.

Keywords: *SWOT-analysis, strategic planning, strategy of the development, efficiency, competitiveness, enterprise, matrix.*

Strategic planning is a special and basic function of management. Unlike the other functions of planning, this is the future, that is, the uncertainty and vagueness, and hence risks. The implementation of this management function requires considerable resources, not only material but human and intellectual ones as well.

To date, a SWOT analysis is the best and most popular system of technologies which provides the opportunities to analyze the strengths and weaknesses, assess the impact of external and internal factors as well as the opportunities and threats of the enterprise.

The essence of the SWOT analysis is to thoroughly analyze the impact of strengths and weaknesses as well as opportunities and threats that might arise in the course of the business activity.

The acronym SWOT was proposed by Professor K. Andrews in 1963 at the conference held in Harvard and devoted to the issues of business policy. Initially, the SWOT analysis was designated to structure knowledge of the current situation and trends. However, in 1965, four professors of Harvard University – Learned, Christiansen, Andrews and Guth suggested a modern technology of using the SWOT method to develop the organizational behaviour strategy [1].

Its name consists of the initial letters of the objects of strategic analysis: S represents the Strength; W stands for Weaknesses; O represents Opportunities; T signifies Threats.

Strengths of the enterprise are characteristic achievements, outstanding features that allow the enterprise to create additional competitive advantages.

Weaknesses of the enterprise are such factors, the influence of which makes the enterprise vulnerable, less competitive and, as a result, the enterprise finds itself in a disadvantageous position.

Opportunities are potential favourable circumstances and conditions that the enterprise can use to gain competitive advantages.

Threats are factors or circumstances that arise in the external rather than internal environment and can be the cause of potential or actual losses for the enterprise.

SWOT analysis makes it possible to assess the capability of the enterprise using its own forces and resources to realize opportunities and to withstand threats.

SWOT analysis is a generalized assessment made for understanding and managing the environment in which the enterprise operates. This matrix analysis model helps the managers identify the key obstacles facing the enterprise in the process of thorough investigation of these four separate SWOT elements. On the basis of such studies, the strategy, in which particular emphasis is placed on determining problems, is developed [2, c.178].

The main tasks of SWOT analysis include:

- identifying opportunities appropriate to the resources of the enterprise;
- determining threats and developing measures to neutralize their influence;
- identifying strengths of the company and comparing them with market opportunities;
- defining weaknesses of the company and developing strategic directions for overcoming them;
- identifying competitive advantages of the company and setting its strategic priorities [4, c. 153].

Thus, the algorithm for the SWOT analysis consists of the following major steps [5]:

- 1) forming expert groups;
- 2) filling the SWOT matrix;

- 3) conducting expert evaluation;
- 4) processing (summarizing) the results;
- 5) analyzing the results.

Having analyzed the strengths and weaknesses of the enterprise, as well as having identified its opportunities and threats, the next step is to fill the SWOT matrix.

The SWOT matrix is constructed in two vectors: the state of the external environment (horizontal axis) and the state of the internal environment (vertical axis). Each vector is divided into two levels: the opportunities and threats that were identified in the external environment, the strength and the weakness of the potential of the enterprise. At the intersections of the individual component groups of factors, four fields (quadrants) are formed. There are certain strategic instructions typical of these fields, which are formulated on the basis of the interconnections of individual SWOT elements and which must be taken into account when developing a strategy of the appropriate type [7, c. 151].

Most scientists depict the SWOT matrix as follows (Table 1).

Tab. 1.

General View of the SWOT Matrix

External factors / Internal factors	Opportunities 1. 2. 3.	Threats 1. 2. 3.
Strengths 1. 2. 3.	Quadrant «S-O»	Quadrant «S-T»
Weaknesses 1. 2. 3.	Quadrant «W-O»	Quadrant «W-T»

On the left there are sections of strengths and weaknesses filled with previously identified factors. There are opportunities and threats of the enterprise in the upper part of the matrix. At the intersection of the sectors there are fields (quadrants) for further research: S-O (strength-opportunities); S-T (strength-threats); W-O (Weakness-opportunities); W-T (weakness-threats). In each fields (quadrants) all possible combinations should be considered and those combinations necessary when formulating the strategy of the enterprise development should be taken into account.

The main advantages of the SWOT analysis include the following:

- systematization of knowledge about the internal and external factors affecting the process of strategic management;
- identifying competitive advantages and establishing strategic priorities;
- periodic diagnostics of the market sector and the resources of the enterprise;
- diagnosing both the whole enterprise and its separate structural subdivisions.

The most important disadvantages of this method of strategic analysis can be formed in the following way:

- subjectivity in establishing the nomenclature of strategic factors of the internal and external environment, as well as in determining their significance for the enterprise;
- constant lagging of the information on the environment, which is being analyzed, from present time;
- unresolved issue of ensuring the only correct management decision, and the focus only on establishing the general direction of the enterprise development;
- lack of consideration as to the problem of risks that every enterprise faces on a daily basis [3, c. 74].

The researches also highlight the flaws of this method resulting from the peculiarity of its use at domestic enterprises, namely:

1. Problems with primary information that characterizes the company and the external environment (completeness, relevance, reliability);
2. Problems with expert assessment (subjectivity, lack of competence);
3. Excessive enthusiasm for quantitative analysis to the detriment of qualitative one;
4. Emphasis on general assessment and insufficient attention to consideration of individual parameters, which is necessary for the detailed analysis of the enterprise, the environment and strategic planning [6, c. 82].

To summarize, the role and significance of the SWOT analysis in terms of strategic planning cannot be overestimated. To date, it is the cheapest, the most comprehensive, publicly available and, most importantly, the most efficient method of assessing the state of the enterprise on the whole. Current dynamism calls for making strategic decisions in a timely and effective way, on which the competitiveness of the enterprise depends.

References:

1. Anfof, I. Strategicheskoye Upravlyeniye [Text]., I. Ansof. – Moscow., Ekonomika, 1989. – 519.
2. Bondarenko T.Yu., Volkov D.P. Diagnostyka Operatsiynoyi Diyalnosti V Strategichnomu Upravlinni Mashynobudivnyy Pidpryjemstvamy [Text]., T.Yu. Bondarenko, D.P. Volkov., Visnyk ZhDTU. Seriya «Economiczni Nauky». – 2011., No. 1(55), pp. 177–179.
3. Kryvda V.I., Kryvda O.V., Narayevskiy S.V. Mozhlyvosti Udoskonalennya Metodyky SWOT Analizu [Text]., V.I. Kryvda, S.V. Narayevskiy., Economico-Matematychno Modelyuvannya Sotsialno-Ekonomichnykh System ; zb. nauk. prats MNNTs ITiC. – 2007., No. 12. pp. 74–77.
4. Kucher V.A. Mekhanizm Strategichnogo Planuvannya Konkurentnospromozhnosti Promyslovogo Pidpryjemstva [Text]., V.A. Kucher., Ekonomika Promyslovosti. – 2009., No. 3., pp. 151–157.
5. Nosonova L.V. Zastosuvannya SWOT-analizu dlya Vyznachennya Konkurentnospromozhnosti AT «Sumskiy Zavod «Nasosenergomarsh» [Electronic Resource]., Access mode: <http://global-national.in.ua/archive/4-2015/107.pdf>
6. Perfilova O.Ye. Problemy ta Osoblyvosti Vprovadzhennya SWOT-analizu v Praktyku Strategichnogo Upravlinnya Vitchyznyanykh Pidpryjemstv [Text]., O.Ye. Perfilova., Visnyk Natsionalnogo Universytetu «Lvivska Politekhnik». – Lviv., Vyd-vo Nats. Un-tu «Lviv. Politekhnik», 2008., No. 624.
7. SWOT-analiz – Osnova Formuvannya Marketyngovykh Strategiy Pidpryjemstva: Navchalnyi Posibnyk [Text]., Pid red.