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SELECTION OF STRATEGIC OPTIONS IN ALLOCATING THE DEVELOPMENT OF ENTREPRENEURIAL ORGANIZATIONS

Abstract

Uncertain and turbulent environment in which modern entrepreneurial organizations operate, constantly require from their owners or their top managers – not only business adjustment to the specific situation but also the mental one. During the mentioned adjustment, strategic options with the aim of selecting the optimal strategic performance must be considered and evaluated. It is performances that will provide a stable and prosperous development for an organization.

Key words: *Development, Strategy, Strategic options, Strategic selection, Optimal selection, Rating strategy*

ИЗБОР СТРАТЕШКИХ ОПЦИЈА У УСПОСТАВЉАЊУ РАЗВОЈА ПРЕДУЗЕТНИЧКИХ ОРГАНИЗАЦИЈА

Апстракт

Неизвесно и турбулентно окружење у којем послују савремене предузетничке организације, стално захтева од својих власника или њихових врхунских менаџера - не само прилагођавања пословања специфичној ситуацији већ захтева и ментално прилагођавање. Током поменутог прилагођавања, стратешке опције у циљу избора оптималних стратешких перформанси морају се размотрити и проценити. То су перформансе које ће обезбедити стабилан и просперитетан развој организације.

Кључне речи: *Развој, Стратегија, Стратешке опције, Стратешка селекција, Оптимална селекција, Стратегија оцењивања*

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Introduction

The ideas of entrepreneurship and privatization are expanding to the whole world. Numerous factors such as ideological, market, technological and other characters, which are rapidly modified and rotated almost daily and rapidly changing business conditions of entrepreneurial firms. Earlier successfully implemented strategic approaches to winning and maintaining a competitive advantage in the market, which had a satisfactory long-term effect of today, rapidly become obsolete and outdated. Survival on the achieved and conquered markets, require the most entrepreneurial organizations and permanent strategy adaptation. Since one lives and works in capitalist surroundings of existence, the adjustment is of vital importance to business owners, their employees and of course all others who depend on their work and entrepreneurship.

State, the only institutionalized force, which has the power and management infrastructure and corresponding supra-structure, through simultaneous coordinated or harmonized processes: (1) privatization, (2) deregulation, ie. own economic and social disempowerment and (3) of incorporation ie. transfer its numerous economic and social responsibilities and obligations to the private sector, left to domestic enterprises and their entrepreneurs market to be on its unprotected institutionally independent coping. The terms “socialist”, “socialist” and the like, that many political parties have in its name, are only the illusion of ignorant voters in parliamentary elections. To remind the reader, that in its original ideological meaning, socialism means a society of full employment, free education, free health care and a secure pension system. Certainly, the society in which social differences between people are so irritatingly expressed.

In the process of strategic adjustment given ideological and economic conditions of operations against those responsible entrepreneurs and top managers - certainly if you are imaginative and educated, open numerous strategic approaches to business, among which you should choose those that are optimal at a given time and space. It is well known that any strategy and strategic approach does not suit every organization and what should be kept in mind while creating an appropriate appearance.

Factors to be taken into consideration when choosing the optimal strategy

The choice of strategy progress of an entrepreneurial company can be run ad hoc, ie. hastily and thoughtlessly. When selecting a business plan development or revitalization (recovery) organizations must set key strategic questions which should give thoughtful and precise answers. These are the following issues:

1. In which geographical area and at which location is planned to commence the projected business?
2. In which sector of creativity and in which branch is planned the launch of the business?
3. What legal status is defined for the subject business?
4. If the management company is a collective determination, we should ask the question what kind of stakes and resources by individual participants in a business entering are involved?

5. Which type is defined business: labor intensive, capital-intensive, technology-intensive or intensive otherwise?
6. What is the method of financing the planned business, which are the sources of funding and with what amount-role?
7. What are the marketing strategies and tactics to determine the winning markets?
8. Is the planned development quantitative, qualitative, combined or some other type?
9. What plans are in place to provide the missing personnel, financial and other necessary resources?
10. How are further development of businesses and organizations planned?

As the reader can conclude, this it is the information which is necessary when creating an appropriate business plan with which it is carried out to check the settings, and of course the presentation of the planned business in destined target public.(3,65)

Classification of optional strategies

Before selecting the optimal strategy of the business performance and development of entrepreneurial firms, there ought to be met with a wealth of strategic options that ambitious entrepreneurs are offered in theory and real practice. With clear note that, in what follows we will present all the available strategies where some are basic strategic approaches, which in practice usually entrepreneurial practices take place and are implemented. (1,192). These are defined strategies:

- the degree of independence, choice and implementation of development and business activities,
- intensity of projected growth and development of the company,
- character of development ambitions of entrepreneurs and top managers of the company,
- the level and content of diversification of business activities, as well as
- other relevant factors and definitions.

The choice of the degree and nature of autonomy as asserted business

Regarding to this orientation which can be pointed out the fact that a certain business or certain company are created in terms of both their functional strategic sovereignty may be independent, partially or completely independent both employed. (11,45)

Fully independent strategic performance in practice usually have those organizations that have a fully rounded program of production and trade, and that while the new program dominates the served market. The situation in real practice is still quite rare because nowadays every business - more or less based on specific business - software, technology, marketing, financial, or other interactions, in which interactions, wanted or not wanted Entrepreneurial Organization is losing some of its independence.

Partial autonomy implies the fact that the operational and top management, in many situations must take into account the interests and attitudes of its external business

partners - established contracts concluded or business practice, which is suspended and its business independence to a greater or lesser extent.

Business-employment, according to strategic issues, those companies that are in the status of the license or some other addiction, that the management of such companies imposes an obligation to respect the limitations imposed by the “older brother”. Although management positions of these companies operate seemingly demeaning and inferior, in practice the real business often shows up as very useful and justified. This is because the “older brother”, ie. top management of the dominant partner companies, who “holds all the strings in their hands” at the same time a protective role of the partner companies that are subordinate to him. It is about defining technology programs, as well as the marketing, financial, development and other support, which subordinate companies guarantee stable operation and development.

Selection of the intensity of company development

Depending on what kind of intensity of future prosperity is being planned entrepreneurial firms can be classified following strategies' intensity of development and growth:

- Strategy extremely intensive development and growth,
- Strategy moderately intensive development and growth,
- Strategy of stagnant development and growth,
- Strategy of decreasing development and growth, as well as
- Strategy of shutting down the defined business.

Selection of appropriate intensity growth and development of particular businesses depend on external and / or internal circumstances. External factors are usually related to business development perspectives as asserted Served on the market. Depending on whether a particular market is growing, stagnant or declining accordingly determines the appropriate intensity of the development strategy of the company.(12,183)

Internal factors that determine the decision concerning the personality of entrepreneurs or top management, which operate a certain company. Also, concerning the situation in the company, as well as development potentials (resources) with which the company in a particular time and space available. If the entrepreneur or top manager of the company, which makes strategic decisions, old and sick states will certainly affect the development of its commitments in terms of the intensity of the future development of the organization with which manages and operates. The reverse situation will be if you said a young, enthusiastic and full of ambitious ideas. These tasks expose some detail in the choice of strategic options related to the progress of ambition of top management to guide the development of entrepreneurial organizations.

Choosing a strategy of progress defined developmental ambitions of top management of entrepreneurial organizations

Depending on what the business ambitions of the top management of the company are the development and operation of a concrete company can be assessed and evaluated on a large scale of optional features. In that sense, in theory and in practice are known in the following operation of the development strategy, evaluated in terms of performance,

the development of ambition, the operation of which may be named as: offensive or defensive, imitating, subordinate, or opportunistic as traditional. Each of the above identified performance strategies is as a rule conditioned and circumstanced under which it operates on the particular organization of the particular market. (14,356)

OFFENSIVE STRATEGY is aimed at achieving leadership (“Leadership”) in a particular market in a particular sector of business. This is usually a case of so-called. innovative companies, with turnover indisputable reputation in public and certainly superior to the available resources in a particular area of business.

DEFENSIVE STRATEGY and business development is somewhat opposite type. Management companies, which defensively lead its business and its company, not against innovation, any character, but before any innovative performances wants to check whether a particular business incorporates considered in itself and some risks. Checking this type is carried out in a manner that closely monitor the market and it is estimated to have passed, and what the results were business pioneers who first entered the business of the considered type. Essentially defensive innovators usually next impulsive courage also lacks its own capacities to develop innovative original solutions. (17,235)

IMITATION STRATEGY, as the word implies, is based on the imitation in other words imitation of powerful business models and somewhat successful competitors. The entire process of execution of this strategy is based on careful study of the market and determining which businesses are profitable and prosperous. When stated is determined program, organizational, technological, marketing and other measures that some of the positive evaluation of the business implemented within the Company are being undertaken. On this occasion, starting from the premise that “big business players” who the specific programs dominate the global market - due to unprofitability or territorial and other distances will not show interest in entering and their small local market. And that is exactly the market that they want and can achieve its business dominance. (18,173)

SUBORDINATED STRATEGY to opt entrepreneurial firms, as well as connected partners involved in the business of a larger reproductive rounded clusters. Also apply this strategy, and the company that are as small business partners (“tzv.franšizeri”) concluded a license agreement with a large company with its sponsor (“tzv.franšizatorom”). In the previously concluded contract on business cooperation was accurately determined the extent and character of (the contents of) the subordination of that subsidiary company must be kept in its operations and ongoing development.

STRATEGY apply the so-called opportunistic. “Freelancers” in the separate entrepreneurial business. The essence of this strategy is reflected in the fact that it is constantly and carefully monitor and study the available market to be found on it so. “Free niche”, ie. untapped market spaces that can be profitably exploited. It is an unmet demand - if it is sold or offered reasonable - if it comes to the purchase or redemption of a market shortage of products.

TRADITIONALIST STRATEGY is the easiest to use. It consists of the fact that entrepreneurial company, and in times to come, continues the same business in the same content and the intensity and the same market on which it previously operated. For the successful implementation of this strategy is certainly an assumption that the business implementation everything is going well and that therefore nothing in it should not be important not changed.

The choice of the extent and content of business diversification

Diversification is an economic term describing diversify the offering of programs of entrepreneurial organizations. Stated diversify can be very wide, thick and / or deep, and can also be very narrow, rare and / or shallow that even reduced to a single product or service, which is offered to the market.

The width of the range in mind ethnic activities repertoire, marked by the presence of an offering program of company products and / or services from different branches of the business (in trade from different industry). For example, if a shop or department store offers its customers products and white (kitchen) and brown (room) techniques, products, diet products, cosmetics, clothing and shoes, tools and other items of various industry, it can be considered that those stores ie. department store has a very wide supply range. The opposite situation is if the store offers its customers products from a single industry (eg. Only food products) when it can be considered that this store has a narrow range.

The density range is also code for the representation of the different products within the same branch of business or industry. If a particular grocery store range offers its customers the milk and milk products, meat and meat products, baked goods, canned food, fruit and vegetables and other food products, in this case, it is considered that that store has a dense supply range of food products. The opposite situation is if the store within your nutritional program offers customers just milk and milk products, when you consider that that store has a line of food assortment.

The depth of product range stands for the representation of types, sizes, shapes, packaging, different quality and price of a single product. If one store, which sells lighting equipment, in its tender range has fifty different types of lamps in this case it is considered that that store has a very deep assortment of these items. The opposite is the situation if the specified store can purchase only one type of lamp, which indicates that this store has a very shallow range of supply of this product.

Everything stated refers not only to trade, but also to production, regardless of whether it comes to manufacturing of material (natural) resources, or certain services.

Diversification of the offering of the program can also be done:

- within the existing business program, enrichment of the program,
- winning business program in advance, with which program dealing with former customers and entrepreneurial organizations, and / or
- winning back business program, which occurs when an entrepreneurial organization expands its operations into the business with which to deal its suppliers.

When it comes to the implementation of strategic concepts forward and / or rewind the reader is certainly clear that the concerned organization - in its business scope, is somewhere in the middle of a specific reproductive chain. In this chain of concerned company from supplier sourcing some intermediate goods - which at diversification back now wants itself to products and its customers selling some technological unfinished products (which they continued technological and market finalized) for the business, as well as lucrative, is now interested and management of specific organizations.

It should certainly be kept in mind that they can be very different strategic combinations of performance, in terms of the diversification of the implemented business.

Which combinations will create in specific entrepreneurial situations primarily depends on the imagination of entrepreneurs and responsibility of top management of the company.

Conclusion

Trimmed analysis of optional creating strategies of positive future in the enterprise business shows that there are more interesting options by which one can develop a concrete business. It should be emphasized that any market-oriented operates at a different resource - programming, organizational, engineering, human resources, marketing, financial and / or other, which in the specific situation, in competition with other marketing rivals (competitors in the same market), can be expressed as superior or inferior ones.

Performing correctly well-known SWOT analysis of internal and external factors of business - strengths, weaknesses, opportunities and threats, the management of the organization should define the optimum strategy for the progress of their business in coming times, taking the form of indicators derived SWOT analysis on the one hand and also the resources with which this organization has on the other.

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